

Public Accounts Committee

Oral evidence: Major Projects Authority, HC 147-i

Thursday 5 June 2014

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Members present: Margaret Hodge (Chair), Mr Richard Bacon, Guto Bebb, Meg Hillier, Mrs Anne McGuire

Amyas Morse, Comptroller and Auditor General, Gabrielle Cohen, Assistant Auditor General, Keith Davis, Director, National Audit Office, and Marius Gallaher, Alternate Treasury Officer of Accounts, were in attendance.

Witness: John Manzoni, Chief Executive, Major Projects Authority, gave evidence.

Q1 Chair: Welcome. This is your first session with us.

John Manzoni: It is.

Chair: You have the quality before you this morning, although because it is a Thursday morning, a lot of Members are already in their constituencies.

Mr Bacon: They are in Newark-on-Trent, actually, shuffling leaflets through doors.

Q2 Chair: We are great supporters of the Major Projects Authority and the work you do, and we are pleased to see the progress that has occurred over the past year. I hope you take this hearing as one that pushes you further from the very good start to a position where you, too, would like to be. Recognising all the improvements and the good work you are doing, I am going to start by asking you the really hard question: which of the half a dozen projects in your current portfolio worry you most?

John Manzoni: We have a couple of lists that we work. In fact, I am just about to write to my Minister and the Chief Secretary to the Treasury to say we have sifted and sorted those lists and there are a couple we need to keep our eye on. We need to keep our eye on universal credit; HS2; some of the MOD procurements; one or two surprising ones, perhaps; Future Reserves 2020. There is a list to start.

Q3 Mr Bacon: Is probation on your list?

John Manzoni: Yes.

Q4 Mr Bacon: On the same list? The hot list?

John Manzoni: The hot list. I am sure I have missed some out. If you want to probe any others, I will tell you whether they are on the list or not.

Q5 Chair: In a way it affirms that probably if you had asked us the same question, we would have given you the same list as we look across the reform programme of the Government. Thank you for that answer.

Looking at your report, both you and Francis Maude say things with which this Committee totally agrees. I will quote Francis Maude from your report. He says, “We must not pretend problems don’t exist. Instead, we must identify and address them early on before they become an issue.” Then you say, “Getting major projects right requires a culture of openness and realism which gives people the confidence to identify challenges at any stage of a project so that solutions can be developed.” I think openness, transparency and honesty are hallmarks of your value system, and they are hallmarks of ours, which is why I am rather bewildered that you have allowed new categories to emerge, which create secrecy.

“Reset” is a new category for me. I don’t understand what on earth it means. The project was restarted, I think, in January or February 2013, or quite a long time ago. It is now June 2014. We know it is a project that has got huge challenges. We always say in this Committee it is not a project where the intent is politically contentious. Everybody buys into the purpose of the project. We are simply not helped by the secrecy that surrounds it. You have done it this year in your report by allowing it to have this category of reset. I don’t like it. I don’t think any of us round the table like it. I don’t understand it and I can’t understand why you have included it.

John Manzoni: It is an interesting question. Of course, it is a project that, as you say—you will know far more than I; I came here in February—has had a fairly torrid period. Through 2013 I think it had a particularly torrid period. A few things about the reset category: first, as it happens, it is an accurate description of what was happening with that project at the time that we came to rate it, which was in September last year. So it was in the middle of a period of fundamental reshaping, I think as a result of all of the torridness that had gone on in the 12 months prior. So it is an accurate description of what was happening.

Q6 Chair: When?

John Manzoni: In September last year.

Q7 Chair: February. They reset it in February.

John Manzoni: They reset, but through the year, and I think it was in December when the Minister then stood up and said, “Now we have reset and here is a new baseline”, and set the project. It was 5 December 2013 when the statement was made saying, “We have now got a twin track and here is what we are doing. We are on a live service and are digital.” So in September it was in the middle of that process. We can argue about how long it took, but that is the fact. That is point one.

Point two, I would say we do not invent new categories lightly or willy-nilly. In fact, this one of course had significant ministerial discussion and in fact was ultimately a ministerial and a Government agreement to say, “That is what we are going to call it.” Actually, if you want my honest view, probably it was a good thing for the project.

Q8 Mr Bacon: To be reset?

John Manzoni: A, to be reset, but more particularly to give it time to get itself back on to something of a front foot. If you knock the project—whether it was his own fault, other people’s fault, or whatever it was, but the project was completely on the back foot through 2013; in order to create the space for the individuals, the leadership, the team to give themselves a bit of breathing space to get themselves back on the front foot, I happen to think the reset category has not done a bad job for that particular project. So if I look at it today they are getting themselves back on the front foot. We can have a conversation about what goes forward, but if one accepts to say, “Okay, we want to get this done; it has been a horrible period; Ministers have decided that they want to sort of reset it,” I do not think it is a bad outcome, actually, as it happens, in order to get this implemented in the best way.

Q9 Chair: I hear what you say, and it clearly was a ministerial decision, so you have to work with that, but I would just say to you, just looking at what I have picked up recently: Howard Shiplee was project manager—I can’t remember the number—4 or 5; the fifth project manager in charge of this has been away for three months, ill for three months. We now read in the paper, recently, that the head of IT, who has been in post for less than a year, is leaving in the summer. Those strike me as being indicators of a programme that continues to be in trouble. I think we, again, agree with you and with your Minister that leadership is absolutely critical to major programmes, particularly of this complex nature. So I think, while you may explain resetting in the past, this is a programme in trouble; and if you are not open to it: back to what you say and what your Minister says in your report—

John Manzoni: No, I agree with you—

Q10 Chair: We are not helping getting implementation.

John Manzoni: Remember, this is September 2013: that reset category is September 2013. From this point the MPA will be doing its assurance. As you know, we are only publishing September 2013. The programme has had, you know, not only its own issues within itself, as you mentioned; it has also obviously had a complex and sad history of leadership.

Q11 Chair: Is having. I do not think “has had”. Is having.

John Manzoni: And still is. It is public knowledge Howard has not been well. So there is no question but that we need to keep looking at this project. We need to keep probing, challenging and actually helping. We need to have all of the assurance processes in place, going forward—and we will; and so from this point the MPA is assuring this project in the same way as everything else. So we will be doing reviews; we will be giving it ratings; and it will not be reset again.

Q12 Mrs McGuire: This slightly predates—well, it does predate: in my previous existence on this Committee we asked a question, I think, in about 2011, of the Treasury, about whether or not UC was on their critical list. I do not know if anybody remembers that. It was kind of “Oh, no, that’s nothing to do with it.” So what is happening to UC—we are now four years, effectively, or three and a half years, down the line, and we are still wrestling with the project. I appreciate the Secretary of State is making a virtue out of necessity by saying it is being piloted just to test it, and I admire your frankness in saying that it is still a project that has major issues.

Could you explain to us, though: you used the words, a couple of minutes ago, that you were helping it. Could you perhaps explain to us what that help entails? The Report was September. The Department immediately came out and said, “Well, this was really a capture—a snapshot”—in September 2013. But the reset—now, to me, reset means “take back to the very beginning”. That is what it means when you reset your phone or you reset your video. You are back on the factory default, and all the rest of it. So has it gone back to the beginning—totally to the beginning? What help are you providing, and what monitoring are you doing, given that the Department’s immediate defence was that in September this is what the position was, but implying that this is no longer what the situation is?

John Manzoni: Firstly, it might be helpful if I describe a bit about what I believe the MPA needs to do, because it might give you the context to the “help” bit, and then I will talk about the specifics of UC. One of the things about the MPA as it occurs to me, and I have really only just got here, is that my experience in central functions, which is essentially what this is, is that we have to be grown up enough to be able to have sufficiently strong relationships with the permanent secretaries in this case to say, “Look, you have the following problems and this is what we need to get done.” We need to be absolutely clear, and we are. If it is really bad, I am absolutely ready to call it.

On the other hand, because of where we are, I think, as I have entered Government, which is essentially that we have a lack of distributed capability around delivery across Government, we have to be able on the one hand to say, “This is what you need to do,” or “This is what is wrong,” and on the other hand provide what I call grown-up help to help them solve the problem. That is what I mean by help. Whenever we make recommendations I want my group—not from within the group, necessarily, but certainly from outside and from experience—to be able to say, “These are the things that we think need to get done, and, by the way, we can help you by accessing this person or this expertise.” That is what I mean by help.

In this particular case, I have spent quite a lot of time with Robert Devereux talking about this particular project. Quite apart from our assurance processes that go on, I have been in a discussion about the fact that we are now on this twin track. We have a live service that is rolling out, and we have a digital that is being built. They have articulated an outline programme for that, which so far appears to be being met. I do not think that they have been particularly specific, but they have bought themselves the space to do that. The help is, for instance, discussing the sort of leadership that is required in a big, complex project like this, and discussing the performance

management methods, the ways of holding people accountable, the sorts of meetings that might be held and all of those sorts of things that leaders do to make sure that accountability is played through.

My own observation is that much of what I might call that delivery process or execution process—the stuff that I have spent 30 years doing in industry—is not second nature to many people in government. That is at the core of what we have got to get done if we want to get programmes such as UC, but it is not alone, driven with the sort of clarity of accountability and single-minded focus that is required. If we want to get that done, that is what we need to put in place. That is really the conversation that I am having.

Q13 Mrs McGuire: What is your “grown-up help”, though? You said that you want to give “grown-up help”. What exactly does that mean?

John Manzoni: So, for instance, discussing the sorts of characteristics that leadership of this project requires and where to find them. In another instance, grown-up help is saying to a particular Department, “There are real problems of accountability in this set of projects. It is all muddled up. This is what you need to do. You need to pull it right back to the top. You need to appoint some new people. You need to clear out these lines of accountability.”

Sometimes it might be specific help. We are at the start of a programme today where one of the things that I believe is missing in certain places is what I might call business prioritisation. We are doing a lot, and the processes of creating strategic prioritisation around project execution, such as: “How many can I do? What does my capacity look like?” are conversations that I am finding in government we do not do very well. The question is: can you bring in the sort of help that gets them done?

Q14 Mr Bacon: The point that you are making—I find this a fascinating exchange—is so not a new one. The discussion about the difficulty in setting strategic priorities and then aligning resources with those priorities is a point that has been made many, many times over the last 20 to 30 years. Of course, there are things about the political process that make that more difficult.

There are a number of questions I would like to explore, expanding on what Anne McGuire has just said. First, if I were a permanent secretary, knowing that there was a lack of distributed capability around organisations, including my own, I would be seizing on the MPA and the graduates of the leadership academy and saying, “Tell me where your best people are, and can I have them, please?” I would be fighting for them and competing for them against, as it were, other permanent secretaries. Is that what is happening, or is it rather that, as the NAO said in its February report: “The Authority plans to take a more active role in appointing leaders of major projects, and is exploring how graduates from the Academy could be best deployed”? I would have thought that they would be hot property and people would be fighting for them. Can you characterise what is going on there?

John Manzoni: Let us remember where we have come from. We have come an awfully long way from where we were just a few years ago. The MPA in a few years has done a lot, actually. It has created a project portfolio. It has created transparency, the like of which, frankly—well, it is all relative. It is groundbreaking stuff. There is an awfully long way to go in terms of the meta-problem, which is that we have massive amounts to deliver in Government, and delivery, as a skill and as a

core at the heart of Government, is not where it should be. I think that the Government have recognised that, and that is why the MPA exists. We are on a journey. I think that a lot has been achieved, but I would not pretend for a moment that we are where we need to be. I would say that in general the Departments do welcome—in some senses, this depends on how I conduct myself, how my team conduct themselves and the quality of the insight and the input. We have to up that game. It is good. It can always get better.

Q15 Chair: Can I just take you from the theory to the practice? If we stick to UC, I said to you that the head of IT is about to leave. That seems to me pretty important. Howard Shiplee has had a long, long period of absence. The other thing was that you talked about it looking as though it is all right. My understanding is that they have got three staff looking at the enhanced digital system. Now, going from the theory to the practice, this is a project that not only was in trouble and therefore needed reset, but still is, isn't it? Therefore, what action do you take?

John Manzoni: I would say to you that since the reset, against the reset plan, I think the project is stable. We will talk about the leadership in a minute, but I think that the project is stable. It is on a track. There is no question but that the learnings from the live service are beneficial to the long-term future of what we have got to do. There is equally no question but that we have to keep an eye on how much money we are spending on the live service and the pace of delivery of digital. All that has to be done, and all that has to be looked at. But I think today the project is relatively stable, moving forward in a direction that it set out in its reset plan.

Q16 Mrs McGuire: That is just the sort of non-committal statement that is made about someone who is in hospital. They are stable. It does not actually tell you anything; it just says, "They are stable." There are different kinds of stability.

Mr Bacon: One of the reasons why it is stable is because it is moving forward so unbelievably slowly, so there is relatively little that is disrupting it.

Mrs McGuire: What have we got now, 6,000 people on it, at most? I think I am being generous.

Mr Bacon: If you are a single, fit, adult male with no kids, no dependants, no nothing and you live in Ashton-under-Lyne, you may get on to the system, but not otherwise.

John Manzoni: In the end, there is a lot of history here. I am deliberately looking, from the moment of reset, at what the project is doing going forward. From the moment of reset. I accept that there is a lot of history—

Q17 Mr Bacon: Can we just explore this question of reset, because there is one other area that this Committee has looked at where the word "reset" came up, and where there has been a huge turnover of chief information officers, and that was the national programme for IT in the health service. There was a major reset in September 2011, after this Committee had looked at it repeatedly over a five-year period and done three Reports; and it was reset, which it certainly needed. It needed, basically, fundamentally rejigging; but unfortunately, as you know, there are all the existing contractual obligations. The MPA itself was heavily involved in the autumn of 2011 and has been, I am sure, since. I had a phone call from the *Health Service Journal* just a week ago about

the installation of one of the major software programmes that one of the major suppliers is putting into a lot of acute hospitals that is causing huge problems across the acute hospitals where it is being deployed—now, four years after the so-called reset.

There were a whole series of Ministers who were responsible for the NPfIT under the previous Government, and when the Administration changed and there was a new Minister of this Government, I remember him saying to me once—because I carried on corresponding with the then CIO about the issue—“Richard, I am sick and tired of being told things by you and then finding out six months later that they are true.” If you go back to the Olympics, there was a statement by one of the trade bodies—I think it was the Association for Project Management—that said we worked extremely hard to have a single source of truth. What I am really interested in is the extent to which a reset involves driving through, truly, a single source of truth, or whether it is just a very big piece of sticking plaster; because if it is the latter you still end up with big problems several years down the line, which is what is now happening in NPfIT.

John Manzoni: I agree with you on NPfIT, as it happens. I think we do have issues, and we are in a discussion with the Department of Health about how we solve that problem, actually.

Q18 Chair: This is a new reset coming up.

John Manzoni: No, I don’t think so. I think it is actually just getting a grip of those things and pulling accountabilities clear; driving those things forward. I think in UC we are much closer to the reset. My intent is that, absolutely, having been reset we now need to assure and ensure that universal credit is a project which moves forward in a sensible way and delivers its quite large benefit in the best way that we possibly can. I will be personally very disappointed if we find ourselves in three years’ time—we will have failed to do what this group is here to do. The reset was in September, or through last year. The announcement of a new plan was in December 2013. We are early in that journey.

Q19 Chair: Is Howard Shiplee back full-time, or is he just part-time now?

John Manzoni: He has not been well. He is present, I think.

Q20 Chair: Part-time or full-time?

John Manzoni: I think he is not there full-time, but he is there. He is present at work; so one of the aspects of help specifically in that is the conversation with others about succession.

Q21 Chair: I have two quick questions on this. First, what rating would you give UC today?

John Manzoni: I do not think I am at liberty to—I have been coached by my team; there is something called a transparency policy and I need to be very careful not to step over that particular line.

Mr Bacon: Is it a black site, in CIA terms, basically? Off the radar.

Q22 Chair: To be honest, Mr Manzoni, that sounds to me like reset has been used to put a veil of secrecy on it, and I am back to where we were.

John Manzoni: Let me see if I can address that.

Q23 Chair: I hear what you say, and I know you are constrained, but it is not a good thing to have done.

Secondly, last time we talked to the MPA there was a write-off figure of the early investment: have you got—I cannot remember what we were at—a more up-to-date write-off figure?

Q24 John Manzoni: Let me deal with two things that you mentioned. First, I do not agree that it is a veil of secrecy.

Q25 Chair: Well, then, give us your traffic light assessment.

John Manzoni: You will get the public one next September and we will be doing it routinely.

Q26 Chair: No, we will not get it next September. We will get it probably—

John Manzoni: In May.

Q27 Chair: Yes, quite—which is ridiculous.

John Manzoni: Well, we will be on it. We will be assuring it and it will not have a reset category.

Q28 Chair: Yes, but it is too long away for a very important project. You must have a traffic light on it today, which you will not release even if I were to FOI it.

John Manzoni: But I am not at liberty to, and you know that. You can try, but I am just not at liberty to do that. That is a different conversation. As for the write-offs, again, at the end of the year I think there were accounts published, and all of the financial aspects of UC, as far as I am aware, were regularised at the end of the year in the year-end accounts. I do not think there is anything further. I look to the people who do that stuff on this, but I think that was all handled.

Q29 Chair: One final cheeky question and then I will shut up. Would you like to have the power that accounting officers have to be able to write a letter of direction in situations where you think projects should be stalled, held back for a bit, re-thought or actually dumped?

John Manzoni: That is an interesting question. Let me see if I can answer it. I can only answer with my own experience, which is in running big global companies. One has to be really clear about accountability. One of the principal tenets of how to create searingly clear accountability, which I have to say is not always present in Government, is to be absolutely clear that accountability flows down the line. Equally, that real clarity of accountability—in this case, Minister, accounting officer and permanent secretary and SRO in charge of the project—has to be absolutely clear. Equally, central functions, which is what we are, need to be best positioned as usually extremely powerful, but without diluting that line of accountability, and extremely wise and listened to.

That is where we have got to get to. The answer is that I do not actually want the central function to take accountability away from the line. Do I want the line of accountability to be strengthened and more clear? Absolutely. Do I expect and want the MPA's voice to be heard? If we say there is a problem at a gate, for instance, that gate needs to bounce the project back. That is how this ought to work, without muddling what I think is absolutely central. I am on a mission to clear accountability and get it stronger.

Q30 Mr Bacon: On that point, are people still driving through gates that they should not drive through?

John Manzoni: No. It is the same answer as previously. We have strengthened the gates. Is there more to do between the Treasury and the Cabinet Office and the MPA? We have the MPRGs, and certainly the big projects go there. We have good conversations there. Can we strengthen that process? Probably. Can we also strengthen the other approval structures below that, and have more joint conversations like we do at the MPRG? Absolute, we can. In fact, I have been in discussion with the Treasury to do that. This is part of tightening all that up.

Q31 Guto Bebb: It is fairly clear from your comments that the decision to reset universal credit was a ministerial one. I think you also argued fairly eloquently that perhaps with hindsight that decision was correct, because you have argued that the project needed time to reconsider its position. When the decision to reset was made last September, was that a decision you agreed with at the time?

John Manzoni: I was not here at that time unfortunately.

Guto Bebb: The MPA then.

Chair: It was February, wasn't it?

Q32 Guto Bebb: From what I gather, the decision was announced in December following a decision in September.

John Manzoni: I think in the end, for all good civil servants, there comes a time to salute and say, "Yes, sir!"

Q33 Guto Bebb: No, I accept there is a point at which you have to say yes to the Minister. The question I am asking is whether—

John Manzoni: To be honest, I don't know because I wasn't here. For specifically that reason I have not chosen to delve too much into that. The reset decision having been made, now the question is: looking forward, what is the best way to get the project done as best as possible? We absolutely need to have all the assurance processes going forward.

Amyas Morse: Just a couple of things that I hope are complementary to the line of discussion. I can see a point in resetting a project when there is something unrealistic built into it, such as a time scale. If we had carried on trying to belabour universal credit with the time scale it had originally committed to, which was palpably not happening, it would not have allowed any progress. I can see that. I think that is different from resetting accountability, if I may say that. I very much agree with the point about prioritisation and capacity. I am not sure it is easy to do, but I do think we see Departments struggling with the volume of business that they are trying to transact, and big projects that they are trying to transact. I have never yet seen one saying, "We can't do this. We just don't have the troops on the ground to do it." But there is real evidence of over-trading in parts of the portfolio and we don't see a lot of examples of portfolio management that says, "No, we can't do this." I really worry about that, to be honest, and I think the Committee does too. We see key members moving from one project to another because they are desperately trying to keep it going.

There are real issues here, and I think the Committee would like to see some more clearly prioritised overall portfolio management that we could actually look at across the major projects portfolio. I know the difficulty of the time of the electoral cycle and driving against that—we all know that's a problem—but we can at least try to make as much headway against it as possible. We have seen the consequence of this so many times.

John Manzoni: May I make a comment on that? We have four or five key priorities in the MPA that we have set. This is one of them and it comes back to a point I made earlier. What I call strategic prioritisation—I have called it that—is actually, let's call it the normal processes of delivery that ought to be taking place in Departments that have a lot to deliver. When I look across the portfolio, we have an enormous amount of, let's call it transformational projects. Those can be transformational in the Department itself, they can be transformation of a marketplace outside and they are often brought about by system changes, IT changes. We have this sort of conflux of things that results in transformative change across our Government. When you look at how those projects are generally doing compared with building things, they are generally not doing as well. The reasons they are not doing as well are multiple: they are more difficult to do, they involve changing how people work and they usually involve way more leadership and management than people anticipate going in. Actually, if you come from business—indeed, an observation not just from me, but shared by others looking at Government from business, says, "You wouldn't do all this in a business; you would prioritise this in a different way." Understanding the complexities of ministerial accountability, what they want to do and then trying to translate that into business plans and so on, understanding all of that, I still believe that, as Government, we need to put in place—this is not universally true, but people have sort of policy and strategy and all of those things as second nature; they don't have delivery and execution as second nature. That is the task that we have got to set about. We have an agenda item to do it. I am having a meeting next week with several of the permanent secretaries to try to talk to them.

Amyas Morse: Just bear in mind that it could be that this population of transformational projects is being driven by the drive to reduce the budgets.

John Manzoni: Some of it is.

Amyas Morse: There is a point at which just cutting doesn't work and you have to start working differently in order to implement savings. I know the Treasury would want to see that. The trouble is it is not mysterious that you have suddenly got this huge population of transformational projects. The question is how to keep a grip on them, given that they are being driven by budgetary necessity.

John Manzoni: I think some of them are.

Q34 Mr Bacon: On this point, you identified the ministerial issue and the need for Ministers to have flexibility and to want to do things, but there remains an issue, which is: even if that is always so, a degree of knowledge from Ministers—whoever they are, of whichever party, at whichever time—that is higher than the one that has existed for the past few years, would surely hugely help. These organisations have a succession of Ministers coming in with bright-eyed, bushy-tailed ideas and no sense whatever of the problems that creates in the management of a large organisation, and then have the power to try to insist on the impossible and constantly disrupt. Therefore, it seems to me that part of the process ought to involve educating anybody who is a Minister and anybody who might become a Minister, in a generic way, so that these problems are lessened and dialled down.

I have been a Back-Bench Member of Parliament since 2001. I happen to have studied this area and written about it but I am not aware of any effort by the Government, apart from the odd person who gets made a Minister from the House of Lords, to educate the pool of people from whom Ministers are chosen in a generic, systematic way. Is that on the MPA's radar?

John Manzoni: It is. We have the MPLA—the leadership academy—which we are putting the senior project leaders through. Apart from deepening that to get more project leaders through that official level, we are all thinking, especially at this point in the cycle, about how we get a half day or a day. We have had some Ministers through this and they do get that sort of insight; they say, "We now understand about prioritisation." I think that we can do better than we have and we must do better. Therefore, some of that offering in a half day or a day—we are developing that thought to see if we can push that as part of the future.

Q35 Chair: I am just going to touch on one thing that is so pertinent. We have looked recently at the probation service reforms and nobody in their right mind would try to undertake those four major reforms—putting it out to the private and voluntary sector, introducing payment by results, bringing in a new cohort of people and creating a new national offender service—at this time in the electoral cycle. You have those four major reforms. I cannot for the life of me understand how on earth that ever got through your gateway.

John Manzoni: Talking about the rehab programme which, as you say, has a lot going on—the first thing I would say is that it is pretty well led.

Chair: I think we agree with that.

John Manzoni: It is a pretty well-led programme. That is the first point. The second point is that it is ambitious.

Mrs McGuire: “This takes courage, Minister.” I have been there. I know that civil servants do say that to you.

John Manzoni: So we are getting down to the wire in the rehab process—in that project. As I am sure you know, there is a plan to, first, collapse the rehabilitation centres from 36 to 21—

Chair: We know the programme.

John Manzoni: And then push it out into the private sector. Our processes of assurance on that, because of the risks associated with that programme, have, between now and the end of the autumn, two points of intervention specifically designed to assess readiness for that final stage. The first is a review, which is going on right now, of the commercial capability within the Department because it is receiving, understanding and then managing the bids—that is basically it. A review of that is going on. We will be doing that in the next few weeks.

In September, we have another look—a full MPRG review—before the bids are awarded. At that point we will know more about what is coming in—what the bids look like, how non-compliant they are and how easy they may be to do all of that. There is no question but that this is ambitious; it is fast. So far, the programme has, as I understand it, quite recently successfully implemented the collapse of those rehabilitation centres into 21. It has ticked another milestone. We have to keep our eye on this. I understand all the pressures one way and the other, but should there be undue risk that we would end up in a nightmare afterwards, then we will call it. But so far, we are watching it closely. It is ambitious. It is being well run. So far, so good, but we need to keep a really close eye on it.

Q36 Meg Hillier: Mr Manzoni, judging by the faces of the team behind you, you are getting a green light from your coaching team so far.

John Manzoni: You have an advantage.

Q37 Meg Hillier: I am keen to probe to see if I can get below the good coaching you have had. I must say it is good to have candour. We have people who deny they have had coaching, which is sometimes a little unbelievable. You talked earlier about the project planning stage. What current projects do you think are still affected by mistakes made at project planning? That is pretty key. Can you name some?

John Manzoni: Let me talk in categories, because otherwise you are going to tempt me into giving you ratings of current projects, and I cannot do that. There is no question but that some of the things that we see coming over the hill today as amber-red or red were set off the last time everybody had six really good ideas, and could we please just get them done. It takes some years—

Q38 Meg Hillier: So you are saying there was no project planning, really. It was throwing ideas around.

John Manzoni: No, but can we do better? Part of this whole initiative saying we need to get better at prioritisation is so that we can be much more ready the next time a new set of ideas comes in, so that three years later we don't get the same things coming over the hill red and amber-red.

There are categories of these, including some of the more complex projects—many of the IT-based transformative things going on.

It is not like Government is unique. Industry 10 years ago made some of the same mistakes. Industry 10 or 15 years ago decided it would outsource a bunch of stuff because it was too difficult. We outsourced a mess, and it took five years to learn that we had outsourced a mess and that the people who kept saying they could do it couldn't do it any better than we could, so we re-insourced it again, sorted it out and then pushed it out into the market. We went through that cycle. Now, Government happen to have been five years behind that, and the last period of Government has been in that loop. That is one set of issues: we outsource a mess, and we do not resolve it before we outsource it. We are living with unravelling some of that stuff.

The second thing is that because oftentimes IT enables new ways of working, the difficult thing to manage is the new way of working, not the IT. We approach projects as though they are IT projects, and then we get people doing those things, and the trouble is that the leaders who are accountable for the outcome do not understand what the IT people are talking about, because they speak in a different language. So we have that disconnect. We have seen it before, and we need to get through that. Actually, the issue is what transformation of work process we are trying to effect, and then "Can we please get some terribly clever people to help us do it," as opposed to having a conversation in IT-speak. That is a lot of what we are struggling with.

Q39 Meg Hillier: Can you give us some examples? If you cannot name an example, can you start off with a percentage of the projects that you are dealing with where the project planning was the biggest problem? Then we can look at the specifics.

John Manzoni: I could say to you that almost any good project management is something called front-loading. I don't care what stage you are at—whether it is in the concept stage, the front-end design stage or the final business case approval stage. Do more work than you think you need to do before you get through that gate. We do not do enough in Government at any stage. In some senses—this is consistent with what John Browne said and what everybody else says—work the front end harder. Prioritise properly, design properly and spend more time. By the way, spend more money thinking about the options and working out the detail. It is almost every project. Projects always go wrong at some point, but the majority would have benefited from more front-loading at almost every stage.

Q40 Meg Hillier: So the majority of the ones that you are dealing with now—90%; 95%?

John Manzoni: To be honest, I have 200 projects. We have big projects coming up today, such as HS2. Let's think about that. David Higgins is working hard to try to get all that front-loading done, and I am encouraging that that front-loading gets done. Government as a whole need to understand that we need to set that one up really well to avoid subsequent problems, so where attention needs to be focused on that, we are focusing attention on that.

Q41 Meg Hillier: That is looking forward, but what about other examples?

John Manzoni: So the IT ones. Health care IT has been problematic. It is difficult. It is the wiring and the plumbing. At one level it is really boring, but we have to keep putting attention on it. You have raised it yourself.

Q42 Mr Bacon: May I explore this front-loading question for a minute? HS2 is quite a good example of where not enough of that was done. The C&AG's predecessor's predecessor, Sir John Bourn, was sitting there emphasising the need for front-loading in the defence space 10 years ago. In fact, the way that he put it was that if we did a bit more of that and spent a bit more money, we would have less infanticide. The way that he put it in relation to defence projects was: "We need a bit more contraception and less infanticide." My sense is that the MOD has begun to knock itself into shape, but what interests me is how it can be that, despite the fact that all this is known, that what you are saying is orthodoxy in the sense that it is not controversial—everyone knows that this is the case and has known for a long time—projects still pop up that are rammed through with insufficient front-loading. What is it about the balance between Departments and the centre that still permits that to happen?

You will have seen the letter from Richard Heaton, Bob Kerslake and Nicholas Macpherson, which paints a traditional theology about the relation between the centre and Departments. The implication of the letter is that there is no alternative to that, because the alternative would be very strong central direction and integration in a way that is incompatible with our system. Yet it ought to be possible to see a spectrum of influence from the centre where you dialled it up a bit or perhaps more than a bit, but still left a great deal. To quote from the letter: "This arrangement"—the one we have been talking about—"reflects the reality of Cabinet Government with Secretaries of State each responsible for areas of policy where he or she enjoys considerable autonomy, subject to collective responsibility." They should not enjoy considerable autonomy to ram things through that are not properly thought through and stand an extremely high chance of squandering our constituents' taxes and see their accounting officers approve them or not issue direct letters of direction about them. Yet they appear still to be so. The architecture is not there.

John Manzoni: I am being very thoughtful as I wade into the middle of this particular debate.

Q43 Chair: It is all right. We have had a subsequent letter from Ministers that to some extent negates the value that the civil servants—

John Manzoni: I can make some general points. The answer to your question, which is why this takes time, comes down to people. Ultimately, it comes down to the building of capability—actually, it is not capability; it is experience. We need more experienced people both in the centre and in the distributed Government to make different judgments or to have better judgment or to be more robust or whatever it is that you want to call it. As it occurs to me, as I have just arrived, the essence of this is that we have to create better distributed experience and capability among our civil servants in order that those more robust conversations can take place and that judgments can be made. That is one thing that we need to do. The second thing is that we need to build more cohesion. I think we are on the journey, but we are not there. We need more cohesion around the centre. We need stronger functions across Government.

The fact is that a young person coming into the civil service cannot, because of the structures that we have got, spend their life building delivery experience. We do not have a strong delivery profession, which is, by the way, my first priority to build. If we had that, we would build

experience and build people who could run these things with real clarity and with real experience. We do not have that today, so we need stronger functions run from the centre of Government, but which is essentially a distributive thing. So there is a lot of stuff.

Now, do I think that that conversation is going on and do I think that we are on that journey? Absolutely, I do. Do I think that there are steps that we could take to strengthen it, to accelerate it? Yes, probably, but I think we are on that journey.

Q44 Meg Hillier: You have talked a lot about your adult conversations and so on with groups. Given all that you have just said, what impact has the Authority had on improving the process for setting up projects so far? Could you perhaps give us some real, concrete examples—we got somewhere with Anne McGuire—of where you have gone in and helped to improve the process, given the constraints you have just set out?

John Manzoni: If I give you the stats first, over the course of the last 12 months, 250-odd assurance reviews have been done of existing projects at all stages—early stages, late stages. That is a lot of work. Every one of those reviews has recommendations. In the most serious cases, we follow that up with what we call an assurance of action plan, so we go in three to six months later and we say, “Have you followed up those things?” Thirty of those have been done.

Q45 Meg Hillier: How many have not followed up on your actions?

John Manzoni: That is a good question, and I do not actually have that answer. We must all up our game, and my team needs to up its game as well, but 30 reviews—that did not happen 12 months before.

Q46 Meg Hillier: After this meeting, can you send us a note about how many failed? In a way, that might be a sign of success.

John Manzoni: I do not know that they failed.

Q47 Meg Hillier: They did not meet the assurance requirements.

John Manzoni: Oh, I see—in terms of: what was the answer to the assurance of action plan? In general, they are done. The Departments are not fighting this. This is not about Departments pushing this away

Q48 Meg Hillier: Not necessarily, but you have already talked, Mr Manzoni, at quite some length about the capabilities. It would not be a surprise if, of 30 projects coming for assurance, some had not quite made the grade because of the many issues you have outlined.

John Manzoni: I am sure that we can follow up to say: of those 30—I think the actual number is 28—assurance of action plans, what was the answer to some of those? I am sure we can follow that up. It is going on all the time. Specifically with regard to the front-loading set-up, we have always had a sort of gate zero. There has always been a set-up process. It has not been as strong as it could be. About 12 months ago, the MPA strengthened it with something called a project validation

review, so it was a sort of new review. It is still not where it needs to be. Twenty of those have been done in the past 12 months, although I do not have the projects that they have been done on.

That is a new product, and I believe that that has to get better. A product going in to do a review of a project is not really going to solve it; we have got to get to the point that we were talking about before where we can have a proper business conversation to say, “How does this fit in with the strategic everything else? Where do the resources come from? How am I going to get the resources?” All of that has to be done, and that is part of the journey.

Q49 Chair: You would agree, wouldn’t you, Mr Manzoni, that the Crossrail project is working well today, in a way, because it was delayed and therefore all this early work of trying to ensure you had a proper project, properly costed, with proper milestones and proper skills, was put into place.

John Manzoni: Yes, and it went through the cycle. It had its moments of amber-red and all those things—

Chair: But it was delayed.

John Manzoni: I don’t know, actually.

Chair: I can tell you. It was around when I first came into politics 40 years ago. It has been delayed.

John Manzoni: Fair enough. And sometimes the right thing is to do that. But that is actually what happens. You are right; we need to get them set up right.

Q50 Meg Hillier: Mr Manzoni, in the work you are doing on assurance, what direct access are you having to Ministers? When the gateway reviews happened they would often interview Ministers about their project, which was in fact very helpful if you were a Minister. Do you do that now with Ministers on their projects? What level of Minister are you dealing with?

John Manzoni: I have talked to some Ministers. I have not talked to many; I have only been here for a short time and I am still finding my way around. It always depends on personal credibility. You have got to build a level of personal credibility. If you have got somebody from the centre, somebody who will give you the time of day, but seeing a Minister—so what? Seeing a Minister, having an impact and having something intelligent to say is what matters.

Q51 Meg Hillier: Exactly. That is my point: a Minister saying, “I want to talk to you about this project,” or you saying to the Minister, “I need to talk to you; this is serious.”

John Manzoni: I have spoken to several Ministers about several projects.

Q52 Meg Hillier: So you have effectively gone over the heads of civil servants.

John Manzoni: No. Not really. Always with the accounting officer in the room, actually.

Q53 Meg Hillier: But if the accounting officer did not want you to talk to the Minister; they said, “It is not appropriate, Mr Manzoni. This is not at ministerial level.”—the sorts of things that often happen.

John Manzoni: I am not very good at always doing what I am told.

Meg Hillier: That is good news. As a Minister, it is very frustrating when you find out six months later that something has been bounced.

Chair: You have had a long go, Meg.

Meg Hillier: Well, actually, I was interrupted quite a number of times.

Chair: Let me go to Anne, and I will come back to you.

Q54 Mrs McGuire: To a certain extent, this dovetails into Meg’s questions. We have heard a lot about conversations and discussions, but where is your leverage? I quote from the NAO Report in 2014, which said that the “Treasury is concerned that recommendations from the Authority should not be perceived to be binding upon elected ministers.” So, although you have given us very frank and robust evidence this morning about how you see things acting, I wonder whether you can also provide us with any examples where your particular recommendations—by that, I mean the MPA, of course—have resulted in either cancelling or rescoping or whatever of any major projects.

John Manzoni: There are a lot of the latter. In fact, there are several of the former. My problem is that I can only talk about the ones that are public. Some of the projects were red in this Report, for instance, and two or three of those have been substantially rescoped as a result of not only getting a red rating—of course, the project would be doing it, anyway—but as a result of the MPA’s interventions and the MPA’s assurance. So, if we put an amber-red rating on something, or a red rating on something, that immediately gets a lot of attention. It gets me on the phone bugging the permanent secretary. It gets flagged around the system. Today I am sending a note around some projects, which are not public yet. So I think we get that attention.

Many projects have been substantially rescoped or descoped if they are not delivering. One of them in the Report this time—the ISOT, for instance—was red. That project has been substantially rescoped today to enable a different sort of delivery. That is going on all the time, actually. A lot of that stuff is happening.

Q55 Mrs McGuire: I suppose my question is whether it is the MPA that has made the difference, or whether that would have happened, anyway. Dare I say it? The history of government is littered—I don’t mean this in a pejorative sense—with cross-departmental organisations within government that think they have leverage within Departments. I am just wondering what makes you guys different from some of those other ones I can think of. I can go back to the Department of Economic Affairs, where George Brown thought he could dictate strategically across government, and you can go through the whole history of government.

John Manzoni: I think that is back to how government works. I come in with optimism, of course—

Mrs McGuire: I think that is pretty obvious this morning.

John Manzoni: That a difference can be made.

Q56 Mrs McGuire: I hope your optimism is still there next September.

John Manzoni: The fact that this Government have said, “We need an MPA; we need to recognise that we are not as good at execution as we could be” says there is a window that is at least partially open. The question is how we push through that window.

Q57 Mrs McGuire: I want to know what your levers are.

John Manzoni: So let me tell you what we are doing. The biggest lever is people. It is a long-term lever and we have to do some short-term things, which we have talked about. The biggest lever is people. The fact that no profession exists in this Government is unbelievable. It is unbelievable that we cannot create, attract and retain young people who can deliver project after project. It is stunning, so we have to get that done. That is priority one. We have to continue to build capability around our MPLA. That is all about people. That is our first priority.

The second priority is what we started with, which is it is all very well—it is sort of silly if I am some central group just ticking boxes on assurance reports. That is uninteresting: get somebody else. If I can actually say those reports are insightful, the points they are making are powerful and, by the way, we can get you some help to solve them, that is making a difference; so the second agenda is about yes, challenge, yes, assure—but also support and help.

Q58 Mrs McGuire: Do you have the capacity currently to be able to fulfil that promise?

John Manzoni: Not internally; but there is lots of help outside. Government is not actually very good at asking the right question to the outside. The question is: do we have a network? Do I have a personal network; can we build a network? The answer to that question is absolutely, we can. Then we need to build our own capacity, capability and experience in the team, just as we do in a distributed way. So, second is: bring help to the project. Third is the one that we just talked about, which is all about strategic prioritisation. I have to say this is a conversation that can only be led by the head of an organisation. It can only be led by the permanent secretary.

Mr Bacon: I thought you were going to say the Prime Minister.

John Manzoni: Let us start with the permanent secretary.

Chair: We now know who runs the world—the permanent secretaries.

John Manzoni: They run their own Department, so we will start there. We have got to build their awareness and their competence of what I call performance management—holding to account, all of that stuff. That does not always happen.

Finally—and this might speak to something that Mr Bacon talked about—we have got, today, the Treasury doing its thing and the Cabinet Office doing its thing.

Chair: Hear, hear.

John Manzoni: There is no question but that that has been a powerful force, actually—a very powerful force. Just imagine if we could bring that even more powerfully together.

Q59 Mr Bacon: Especially now you are sitting in the same building as the Treasury, and the Danny Alexander people and the Francis Maude people are kind of cheek by jowl—and I think Richard Heaton is somewhere between them. One hopes you are talking to each other.

John Manzoni: We get on very well. At the MPA we work extremely closely with the Treasury. I have already said, and Sharon has agreed, that we actually need to tighten that. We have got it at the top. She and I sit chairing—she chairs, I co-chair, or deputy chair—the MPRG; but actually all the panels, the things that the Treasury approve, these are their own gates. I want the MPA to be participating routinely in all of those, so that we can bring these two things together; but there is lots more that can be done, which has a more functional flavour, I think.

Q60 Chair: I want to move us on to two or three issues that have not been covered. One is, as I looked through the list of all the reports you have done, it occurred to me that value for money did not feature as a sort of integral part of the way in which you approach your projects. You know: people decide to do a project; do they achieve it on time? You could take Royal Mail, where the public purse lost £0.75 billion on day one. You could take the student loan system, another of yours where the debt that we will not get back is a rising figure of over £40 billion. You could take broadband, where we have delivered on time but this Committee believes there has been a rip-off by the private sector there. I just do not understand why value for money is not an integral part of the way in which you assess projects.

John Manzoni: Mainly, I think, in truth, we at the MPA do not have all of the expertise to do that. I think it is done in the spending teams, actually. I think that is where that is done.

Q61 Chair: No, it isn't, because in the spending—it is one of our frustrations in this Committee—what happens from Treasury is you get allocated a sum of money and as long as you live within it they do not give a toss, really, what happens within that envelope.

Mr Bacon: It is 10 quid now, each time.

Chair: What?

Mr Bacon: Swear box.

Chair: What did I say?

Mr Bacon: I am not going to repeat it; £1 is plainly not enough.

Q62 Chair: So they are not doing it, and we would have hoped you, with the MPA, would. It has to be an obvious integral part of whether a project is good or not. It is not just that it is finished on time but that it gives value to the taxpayer.

John Manzoni: Our reviews notionally go through that. I actually agree with you on reflection. I do not think it is front and centre for us. If they are not doing it, somebody should be. I agree and it is a good point.

Q63 Chair: Good. Thank you. The other thing I wanted to raise was the lack of transparency. FOI is the other means that is being used to prevent us having proper visibility of whether projects are being completed on time. I will again take examples out of your list, where I do not think you can plead secrecy: MOJ rehab, the green deal, electricity market reform, the police ICT company programme, the MOD's employment model. For all of those, FOI is used as a justification for lack of transparency. I do not find that convincing.

John Manzoni: It is interesting that you say that. The first point I would make is that apparently last year there was a hell of a battle about what should be exempt and what should not. That was because it was new and all of that. This year we are substantially better. We have roughly 30% less exempted than last year. I am hopeful that as we go forward that might reduce some more. Every one of the ones exempted today falls in to two or three categories. I can remember two of them and there is a third that I cannot. Basically, one of them is commercial sensitivity. Some of the ones you mentioned are actually about commercial sensitivity. The second is national security. There is a third one that I cannot quite remember.

Q64 Chair: National security is the justification with HS2, which is a laugh really.

John Manzoni: I don't think HS2 has been exempted.

Q65 Chair: HS2 information has been exempted; the data that we would need.

John Manzoni: That was a separate, different issue. In our report there was the commercial sensitivity. I spoke to many of the permanent secretaries involved and we had a perfectly sensible conversation. The commercial sensitivity is usually—almost in all cases, I think—where there is active procurement going on. You would not necessarily want to push out to the market to say, "Here is my envelope for cost. Could you please bid against this?" That's the case in rehab, for instance. Or, "We think this is red; could you please bid?" Actually they would put a risk premium straight into the bid process.

Amyas Morse: I will say this as a small qualification. Sometimes we see it being advanced, John, because companies say that there are details in their cost structure that they do not want to be seen, even when there is not an active procurement going on. Just to avoid having to correct it later, we have seen examples of that.

John Manzoni: In the existing effort? Each one of these was checked.

Amyas Morse: I am just mentioning it; it is not a big point. Give it a little more breadth would be my advice.

John Manzoni: Fair enough. In general, let's claim victory for where we have got to. We are 30% better and I think we can get better.

Chair: I agree with that. I said to you at the beginning that we understand that. We are trying to push you forward.

Amyas Morse: We think the report is improving, too, don't we?

Chair: Yes.

Q66 Meg Hillier: Earlier Richard Bacon said people would grab leaders who came through your academy. How have you contributed to putting the right leadership teams in place in major projects, either through personnel or through vetting applicants?

John Manzoni: Today we are involved in several ways. I am personally involved in several conversations about the appointment of SROs today.

Q67 Meg Hillier: That is a nice phrase: "involved in several conversations". Does that mean that you are interviewing them or vetting them?

John Manzoni: I am interviewing one of them this afternoon and I am involved in a number of other conversations. I will interview and be formally involved in several of those. Every report that we do covers leadership as a piece of it. Some of the reports that we do are quite specific about leader acceptable or not acceptable.

Q68 Meg Hillier: Have you rejected any leaders who have been put forward?

John Manzoni: I am not sure of the answer to that question. We have certainly recommended that some leaders be moved.

Q69 Meg Hillier: Can you give a rough percentage?

John Manzoni: I can't give you that. I am thinking of a particular report that was specifically focused.

We are not afraid to do that where we need to, but would I say to you that this is systematised? The answer to that question is no, not yet. We are part of the profession. We are building that profession. I want to get to a place where the cohort of people coming out of the MPLA is essentially managed jointly by us and the appointing Department. That is where we have to get to, but it is a journey.

Meg Hillier: I think we would all agree on that.

Q70 Mr Bacon: When will more than half of the permanent secretaries be people who have been through this process of going through the academy and who actually know how to run things?

John Manzoni: You will have to ask the head of the civil service, or whoever the hell appoints the permanent secretaries.

Q71 Meg Hillier: You have mentioned that Ministers have gone through your half-day or day-long academy training.

John Manzoni: Some of them have. One or two.

Q72 Meg Hillier: How many Ministers have done that?

John Manzoni: That was before my time. Am I allowed to name them?

Q73 Meg Hillier: No, you wouldn't name them.

John Manzoni: Two, I'm told, have done it.

Q74 Mrs McGuire: Two Ministers have gone through?

John Manzoni: Yes, but as I was saying, this is a work in progress. That was a one-off that was done.

Q75 Mr Bacon: It is also available to interested Back Benchers, is it not?

John Manzoni: If you would like, absolutely. I think the more the merrier.

Q76 Meg Hillier: Can I just finish my point? Two have gone through. Having been a Minister, I know it is the sort of support you would be crying out for. What are you doing to make sure it is promoted more? Ministers are sometimes embarrassed by being put on the front page of the newspaper for having had training. It can be an off-putting thing. I think it is a badge of honour, personally.

John Manzoni: The best we can hope for is that this raises awareness. If you go through a course, it does not actually give people experience, but it certainly raises awareness, and it did in those two cases. The discussion that I have had actually did not start with Ministers; it started with permanent secretaries and new permanent secretaries. That is where we are going first. You raised the Ministers. Our experience with giving a day or a half-day—I do not know what it was, but it was one of those two—to those two Ministers was that they found it very helpful.

Q77 Meg Hillier: Chair, maybe we can make a recommendation that Ministers involved with big projects do the same. Support for shadow teams is quite important. In Whitehall, they will be gearing up to support shadow Ministers to discuss options. You can come in with your mission and your five years to deliver. I think that is symptomatic of this Government, because the current Prime Minister kept people in post, in shadow jobs and in Government, longer than other Prime Ministers have. They knew their subject, but perhaps not all of them knew how to deliver. Is there support for shadow teams? Are you planning that?

John Manzoni: I think there absolutely ought to be. That is why we are talking about it now, so that we can cover it.

Q78 Meg Hillier: I am certainly happy to promote that, as I am sure are some of us. On the procurement issue, you talked about solutions earlier, and the issue of chucking out a project and it not being delivered very well by the private sector. One thing the Cabinet Office is trying to do which has my personal strong backing is to increase procurement opportunities for smaller businesses that might provide a better solution in their niche and add on to other things. As the Major Projects Authority, are you taking any part in that discussion and promoting that?

John Manzoni: Yes. It is another part of ERG and the Cabinet Office. We work closely with commercial colleagues. That is in a different group, but we are bringing them increasingly closely together, so those things are becoming as one, essentially.

Q79 Chair: One final thing. What sticks out in your appendices is how badly the NHS and the Department of Health are doing. Eleven out of 13 are red or amber-red and eight have no traffic light rating. I am not even sure that one of their major projects, the Better Care Fund, is in there; I could not identify it. The other one is MOD, despite its reform programme. There is a lot of information lacking on MOD, but it sticks out as still having a lack of control.

John Manzoni: First of all, for the Department of Health, the eight with no rating is because they are basically construction activities in trusts. We have to prioritise, so we do not deal with that.

Q80 Chair: But there is less expertise, Mr Manzoni, out in the trusts.

John Manzoni: I know. We have got to get to it.

Q81 Chair: It is still taxpayers' money.

John Manzoni: I fully accept that; I just cannot get to everything all at once. That is why we do not do it. That is why they are not rated: they are arm's length bodies and we have to draw a circle around what we can do. Then, on the red and amber-red, many of those are what we have discussed before, which is what is called the informatics portfolio. That is the IT wiring and plumbing which we need to continue to work hard to address, and we are doing that. We are in focused conversations with the Department about that.

I think you said the Better Care Fund was not on the portfolio. Actually, the social care reform, which is related to the Better Care Fund but different, is coming on to the Government's major projects portfolio for the reason that you have described. Not the Better Care Fund, but the social care reform.

Q82Mrs McGuire: Very quickly, can we flip back to universal credit? In your opinion, is it going to be on budget and on time?

Mr Bacon: Or will it just get cancelled?

Mrs McGuire: It's a perfectly simple question.

John Manzoni: First of all, the Department has set out a broad timetable. Per "on time"—

Chair: He's learning to be a civil servant, you know.

Mrs McGuire: All those years in BP have done you a world of good.

John Manzoni: Would you like me to carry on? I do actually think the Department has said that we have got 10 sites. It is going to be rolled out into the north-west. It will do couples in the summer and families in the autumn. I see no reason why that will not be followed so far. I see no reason why it will not happen. I think they are going to be on time with that programme. I am not actually sure at the moment what they have said about the budget, so I cannot answer that question, but I think from what they have said that they are going to be on time.

Mrs McGuire: That's okay. You get bonus points for making a valiant attempt.

Chair: We wish you well. I would like to acknowledge that we think there has been progress this year, so take the questions in that context. But we think there is a long journey, and we hope you will stay with us to help us through it.

John Manzoni: I agree that it is a long journey. I am excited about it. Thank you very much.

Chair: Thank you.