

Gateway reviews: progress on high and medium risk projects

Purpose

This Information Note appraises Departments of the progress of the Gateway Review Process for high and medium risk projects, with particular reference to those in the property and construction domain.

Action

To note the content of this Information Note. Managers need to evaluate their property and construction procurement programmes for the next twelve months and assess which construction and property related projects need to be considered within the Gateway review process

Managers are reminded that as well as construction projects, decisions impacting on property or workspace are also ‘procurements’. High and medium risk procurements should be assessed using the Project Profile Model.

Background

The Gateway Review Process

Information Note 4/2001 explained the Gateway Review Process; some of the detail is repeated here for ease of reference.

The Gateway Review Process looks at projects at five critical points in their development, known as “gates”. The aim of the process is the more effective delivery of benefits, together with more predictable costs and outcomes through the provision of assurance and support to Project Sponsors, Project Owners and Investment Decision Makers in discharging their responsibilities to achieve their business aims.

Procurements subject to Gateway reviews are assessed at three risk levels: high, medium and low. The assessment is carried out using the relevant Project Profile Model (PPM) that attributes scores to a variety of project characteristics including size, complexity, novelty, business criticality, political sensitivity and cost.

The Gateway Review Process became mandatory from January 2001 for all new high-risk projects involving procurement in Central Civil Government, including those instigated by Executive Agencies and Non Departmental Public Bodies and for medium risk projects from June 2001. The process applies to information technology projects at all risk levels. Other low risk projects will be included in the process from January 2002.

Departments have been asked to nominate staff to form part of the Gateway Review teams to be called on as, and when, required. To date, some 400 staff have now been nominated by their Departments.

Procurement

Programmes and

Risk Level

The programme of high and medium risk procurement projects may include all types of construction, property or workspace projects, since, in this context, 'procurement' has a broad *whole life* definition, including acquisitions, management and disposal. The broad definition of procurement implies that all decisions relating to property or workspace should be treated as projects subject to Gateway Review. These might include relocation, refurbishment, lease renewals, call-off under a framework agreement, changes to existing outsourcing or PFI contracts, as well as the more obvious construction or acquisition projects. Many of these property and workspace procurement activities, although familiar, will still carry considerable risk due to the long timescales and high costs involved and therefore may need to be classified as high or medium risk level.

Departments should identify their property and construction procurement programmes for the coming twelve months and assess the risk factor of each project using the PPM.

Departments will, in the very near future, be asked by OGC for their high and medium risk projects, so that we may have advance notice of the volume of property and construction related projects to be reviewed.

Gateway Reviews – Lessons Learned

OGC has currently approximately 100 Gateway Reviews in various stages of progress, some complete, some underway and the balance programmed for the future. The lessons learned from the first 27 completed Reviews have been identified and break down into the following categories:

- a lack of relevant skills and business resources;
- a need for more clearly defined success criteria;
- a need for better definition of roles and responsibilities;
- a need for better risk management; and
- a lack of good market knowledge and procurement advice.

Next Steps

Overall, the Gateway process is now well established and is providing Project Sponsors, Project Owners and Investment Decision Makers with clear and valuable information on the health of their projects at the various stages of the Review process.

The lessons learned from Reviews will be published in a series of Information Notes focused on each of the categories mentioned above. The first in the series is expected to be issued in October 2001.

During this Autumn, the OGC Gateway Management Team will also be reviewing the operation of the Gateway process over its first nine months with a view to:

- carrying out a complete review of the Workbooks to take into account comments received from the Review Teams;
- incorporating the Low Risk Gateway Review process into the Gateway suite of processes; and
- developing and trialling one-day training courses for Departments in low/medium risk Gateway Reviews.

Further Information Notes will be published in due course to provide more detailed information on the initiatives that OGC is putting in place to assist Departments to address the issues raised from the Reviews.

Further Information

Further guidance on Gateway reviews can be obtained from John Ioannou on 020 7271 2636 or from the OGC website:

<http://www.ogc.gov.uk/index.asp?docid=377>

Additional copies of Information Notes can be obtained from Kenneth O'Connell on 020 7271 2711. Alternatively, they are available on the OGC Website at www.ogc.gov.uk.

Departmental Policy

Recipients of the Information Note should also consult adequately within their departments to ensure that any action taken is at the appropriate delegation level and complies with their own departmental policy and procedures.