



## **SPECIFICATION**

**CPD/004/124/021**

### **1 Introduction**

- 1.1 DLUHC is seeking expert advice and support from an industry expert to improve financial forecasting accuracy, to prevent consistent programme underspends by increasing accuracy of forecasting profiles taking into consideration required contingency and by removing optimism bias
- 1.2 Pathfinder to focus on the Housing Infrastructure Fund and provide an output that can be used into the programme updated business case due in September

### **2 Background**

- 2.1 Consistent underspending across the department. Budgets are set and agreed at spending reviews, but actual spending has not aligned to initial forecasts and has resulted in consistent underspends. This has led to a challenge from ARAC and HMT to improve the departmental position on this over a 12 month period
- 2.2 Housing infrastructure fund is a complex programme with 130+ sub programmes/projects that need to be well managed, and closely monitored in terms of delivery and spend. Accurate forecasting will be key to controlling spend profiles

### **3 Objectives**

- 3.1 Provide a new method of forecasting to improve forecasting accuracy and remove optimism bias
- 3.2 Review systemic issues resulting in under spends and under delivery and provide recommendations for the department and programme to improve in critical areas
- 3.3 Set-up HIF programme with a tool that can be used to accurately forecast spend and schedule and keep up to date throughout delivery

### **4 Scope**

- 4.1 Financial and schedule forecasting through-out delivery of all 130 projects within HIF
- 4.2 HIF programme to be used as initial pathfinder, and learning to be shared with all key stakeholders including other related programme teams (to be identified by DLUHC)

### **5 Deliverables/Outputs and Performance Measures**

- 5.1 Provide a forecasting tool covering the whole HIF programme and life cycle, that can be used and monitored through-out delivery
- 5.2 Provide HIF with an accurate financial forecast, based on a reference class of similar projects/programmes from across industry, to be used in the updated Business Case by September 2022



**ANNEX 2**

5.3 Provide a list of detailed recommendations following the deep dive into delivery and spend

**6 Key Dates**

6.1 Start work: 16/05/22

6.2 Complete by 30/06/22 to support HIF Business case development and approval

**7 Contract Management Arrangements**

7.1 CPO Delivery team will oversee this project

7.2 HIF team will be fully engaged in this project

7.3 Regular progress updates will be provided by OGP on progress and delivery, feedback to all stakeholders including Senior leaders