

REPORT FOR: CABINET

Date of Meeting: 21 July 2011

Subject: Response to recommendations made in the Standing Scrutiny Review of the Better Deal for Residents Programme – Interim Report, Project Management

Key Decision: No

Responsible Officer: Tom Whiting, Assistant Chief Executive

Portfolio Holder: Councillor Graham Henson, Portfolio Holder for Performance, Customer Services and Corporate Services

Exempt: No

Decision subject to Call-in: Yes

Enclosures: Reference from Overview and Scrutiny Committee – 14 June 2011
Report of the Review Group

Section 1 – Summary and Recommendations

This report provides a response to the recommendations to the Standing Scrutiny Review of the Better Deal for Residents Programme and provides an update of progress for delivering improved project management practice at the Council.

Recommendations:

Cabinet is requested to:

1. Approve the responses made to the Standing Scrutiny Review recommendations.

Reason: (For recommendation)

To embed improved and robust project and programme management practice at the Council.

Section 2 – Report

Introductory paragraphs

1. The Better Deal for Residents Programme: Shaping Harrow for the Future was launched at Cabinet in 2010, with a clear focus on closing funding gaps through the delivery of transformational change projects across the Council. This has required strong programme and project governance to enable the release of benefits in an effective and timely manner.
2. When the current MTFs was approved in February 2011 the estimated funding gaps were £6.8m, £11.2m, £13.4m and £11.6m over the four years commencing 2012-2013. These figures will continue to be updated to reflect the latest information available. (check these figures with Julie)
3. The Council is now embarking upon phase 2 of the programme in order to meet the demanding financial challenges that we face over the next 3 to 4 years.
4. The Council has had the opportunity to spend some time reviewing the lessons learned from the Better Deal for Residents Programme: Shaping Harrow for the Future in developing its proposals for taking this agenda forward as well as understand the importance of applying effective programme and project management to enable its delivery.

5. Alongside this the Better Deal for Residents Programme Standing Scrutiny Review has made a number of recommendations to further embed effective project and programme management, which have been taken into consideration when developing our approach going forward.

Programme and Project Management at Harrow

6. Harrow's project management approach further improvement to be consistently of a high standard across the Council.
7. This situation is primarily driven by:
 - Need for improved compliance in terms of project documentation, structures and process
 - Need for more consistent / clearer governance arrangements in place for non-Better Deal for Residents projects.
 - No mandatory processes
 - No regular project management training
 - Not recognised as a professional competency
8. It is recognised that there are opportunities to improve and build upon the progress made over the last 2-3 years, which has seen:
 - The development of highly developed and customised project management toolkit (based on PRINCE2).
 - The establishment of a Programme Management Office and clear governance for transformation projects / programme.
 - Pockets of good practice and experience – e.g. Reablement, Children's Integrated Services, Concessionary Travel, BTP
 - Recent rollout of project management technology (Verto) to reduce manually produced documents, simplify and automate reporting, improve management information.
 - Key player in Capital Ambition's Excellence in Programme and Project Management and Harrow approach recognised as best practice
 - BDfR Tracker recognised as best practice in London during London Efficiency Challenge 2010
 - Mandatory project training last delivered in 2008 - By Roffey Park.

Delivering Business Transformation Phase 2 – 'Shaping Harrow for the Future'

9. The Council is looking to develop the principles of what the Council will look like in 3 years time with the reduced resources that will be available and to deliver the change that will be required to get there.
10. The Council is looking to deliver a future for Business Transformation therefore that takes forward the vision and priorities that were laid out at Council in March 2011.
11. A set of principles have been developed that will underpin how the vision is developed and the changes is delivered:

- a. Directors, managers and staff across the Council must be empowered to develop creative solutions to the challenges ahead
- b. The programme must be outcome based being clear where the Council's activities are making a difference to the end customer
- c. The approach must recognise difference across services that are transactional, neighbourhood, personal or part of the strategic core
- d. Quality relationships and engagement will be undertaken to make the change happen
- e. The role of commercial partners must be recognised
- f. All areas must be reviewed and challenged

12. To deliver these objectives and within these agreed principles the following streams of work will be undertaken:

- Analysis – this will look at customer needs across services, current cost and performance benchmarking information, and models adopted in other Councils. Capita will also be asked for their external advice on further savings opportunities.
- Commissioning Panels – these will be run for each major service area to identify how the service can be commissioned and run within the reduced resources available given the analysis of needs, spend and performance.
- Cross Cutting – a specific group will be set up to look at cross cutting opportunities across service areas.
- Community Engagement – proposals will be developed for how the Council should continue to build on its ambitions for community engagement and involvement to truly be a Council that listens and leads.
- Organisational Development & Staff – this will pull together all work that impacts on staff and review the Council's ambition for the type of employer it is looking to be. It will include a review of the skills the organisation needs to develop going forward
- Property & Place – this will continue existing work to take an overview of all property and place opportunities and the contribution that these can make
- Health – this will continue to look at how the Council works most effectively with the emerging developments in the Health sector.
- Equalities – this will identify key equalities issues for consideration, offer support, challenge and review at end of process and ensure robust EIA's are produced.

Response to Scrutiny Standing Review recommendations

13. Taking into account the size and complexity of phase 2 of the programme, it is recognised that robust programme and project management is critical if the Council is to deliver the scale of change required and this is supported by many of the recommendations made by the Better Deal for Residents Programme Standing Scrutiny Review, for which responses have been provided below.

Recommendation 1

There is wide recognition in the Scrutiny Review group that the council needs to be transformed to a resident centred organisation. In particular, that a culture of residents satisfaction should be at the heart of all council activities including the Better Deal for Residents programme. Their views and experiences must drive the programme. As such the council should develop a mechanism for engaging with residents at the outset of a project and their views must be clearly evidenced in all project management documentation.

Response

The development of Phase 2 of the Transformation Programme includes an underpinning theme of Community Engagement. The Administration has laid out its ambitions for improved Community Engagement in the Corporate Plan. Proposals will be developed for how the Council should continue to build on its ambitions for community engagement and involvement to truly be a Council that listens and leads. This will ensure that all projects within the programme take due consideration of residents needs.

The project management methodology will require each project to consider impact on residents through a project evaluation tool. It will also incorporate the identification of residents' needs and consultation via business case development, which will also incorporate stakeholder plans, and full equalities impact assessments.

Recommendation 2

There should be a single project management process operated across the organisation. This process should be applied proportionately with advice from the PMO. Any deviation from this process must be sanctioned by the Corporate Strategy Board.

Response

The Corporate Strategic Board has approved the implementation of a single mandatory project management process. The process will include a project evaluation tool that will enable the 'sizing' of projects. This will determine the extent to which the project management methodology will apply to small, medium and large-scale projects.

Deviations from this process will require approval from the Corporate Strategic Board, or any other nominated board as appropriate i.e. Capital Forum.

Recommendation 3

The council's method for managing projects (Prince 2) and the Project Management Toolkit should be mandatory for all but the smallest quality improvement projects and in particular, for those projects which will impact residents or other partners,

Response

The Corporate Strategic Board has approved the implementation of a single mandatory project management process. The process will include a project evaluation tool that will enable the 'sizing' of projects. This will determine the extent to which the project management methodology will apply to small, medium and large-scale projects. The evaluation criteria will appropriately 'weight' the impact of projects on residents.

Recommendation 4

Existing project management and other transformation skills within the PMO are under-utilised. The PMO needs to re-assess the scope of its product and service offerings and 'market' its skills and capabilities through continuous dialogue and communication with directors and operations management. Ongoing support should help to boost team confidence and greater communication at director level will ensure the development of improved relationships.

Response

The Programme Management Office (PMO) has reshaped its offering and reflected this within its Service Plan. There will now be a clear focus on:

- I. Subject matter expertise for specific areas of the methodology – for example, business case development, post project reviews, planning;
- II. Providing project management training
- III. Running project start up sessions
- IV. Delivering post project reviews

Working closely with Directorate DMT's this supported through regular dialogue and communications.

Recommendation 5

The cost of running the PMO should be more transparent in order to demonstrate the 'value added' to its service delivery processes.

Response

A cost/benefit report will be presented to the Chief Executive's management team on an annual basis with benchmarked performance and cost data. This will ensure that the PMO remains value for money and adds value through its service offering.

The costs of the PMO will be clearly laid out in the Council's budget book.

Recommendation 6

As a corporate resource, the PMO should continually develop its skills knowledge and expertise in transformation methods and knowledge management tools.

Response

PMO staff are all Prince2 qualified, and are due to complete training in LEAN, Facilitation and Train the Trainer skills. Skills reviews are completed through the appraisal process and through regular 1:1's. The PMO is currently possesses the largest concentration of programme management qualified staff at the Council.

Recommendation 7

The PMO should develop formal training programmes covering sub elements of Prince 2 methodology including methods, standards, quality management, Toolkit documentation, risks/mitigations, LEAN and other new methods.

Response

Training and project start up sessions will be developed in preparation for the expected implementation of phase 2 projects in September 2011. LEAN training is under review, pending the effective deployment of 14 staff that have been trained to Green Belt level.

Recommendation 8

Changes to the Project Management Toolkit documentation are required:

- *Baseline information covering the current service/s, performance, costs, resources, etc, to be included;*
- *The impact on residents and other partners from the Better Deal for Residents projects must be considered early in the project definition. Whilst the council must improve its own practices, it must do so from the perspective of the impact on residents and be built into the project management templates;*
- *A clear statement of objectives that act as targets for transformation;*
- *Guidance on post implementation monitoring to ensure new processes are embedded.*

Response

The Council's Project Management Toolkit is currently under review. In its place, there will be a Project Management Strategy and a revised process, which will incorporate stronger emphasis on baseline information, impact on residents, and how to deliver post project reviews.

Business cases will be required to focus on outcomes, with clear linkages to corporate priorities and the transformation agenda.

Recommendation 9

An Advisory Board should be set up under the chairmanship of the Leader to provide political oversight of the BDFR and provide cross party Member advice to Cabinet.

Response

This would be a duplication of existing arrangements. Transformation projects that are outside of the Council's policy framework will be presented to Cabinet. Regular reports on the Council's approach to business transformation will be made to Cabinet.

There will be continued support for Scrutiny to review the programme and provide recommendations, which will provide the required level of checks and balances.

Recommendation 10

Additional points of political oversight, reporting and challenge should be built into the inception, implementation, sign-off and review of projects.

Response

Decisions to implement major business transformation projects will be made through Cabinet, along with those that are outside of the Council's policy framework.

All transformation projects will continue to report to Cabinet in accordance with current arrangements.

Recommendation 11

Non-BDfR projects should have corporate scrutiny and be managed through the corporate process. Many Directorate projects have little or no visibility and therefore escape proper executive scrutiny. The council needs to decide how it should manage Directorate projects that are non-BDfR or Capita-led to ensure consistency of standards, delivery and outcomes,

Response

The single mandatory process for managing projects will apply to all projects, including those outside of the transformation programme. The recent implementation of project management technology will serve well to improve visibility. Progress is being made to use this technology for developing the Capital Programme and the Section 106 programme.

Recommendation 12

The criteria to identify Better Deal for Residents projects should be clearly defined and agreed.

Response

The project evaluation matrix will be designed to identify transformation projects. Business cases will be expected for all transformation projects with sign off through the Corporate Strategy Board. Transformation projects that are outside of the Council's policy framework will be presented to Cabinet. New projects will also be formally incorporated into the programme based on clear criteria.

Recommendation 13

The direction whereby Directorates seek to develop their own project management skills should be resisted. This will result in a duplication of skills, added costs and potential for diversity in project management standards and controls (the 'silo' effect).

Response

The mandatory policy has been approved CSB, and processes will be in place to monitor and audit compliance. No Directorate has the reserved power to develop an alternative approach.

Recommendation 14

Whilst the current remit of the PMO does not include management of individual projects, their project management skills should be more effectively deployed to provide Directorates with assistance with the following (we acknowledge that many of these activities are already undertaken by PMO staff):

- Project identification, definition, scoping and objectives;*
- Sizing, complexity, risk (i.e. is it a Capita, Directorate or department project);*
- Categorisation of BDfR projects;*
- Confirm project mandate – Member / Officer authorisation path;*
- Plan project and resourcing (activities, leadership, skills, knowledge requirements);*
- Agree appropriate documentation (BC/PID) proportionate to the size and complexity of the project. For BDfR projects ensure impact on residents and other partner groups are fully identified and articulated;*
- Provide support and guidance for the delivery of a single standard project management process, (ensure appropriate PRINCE2 project management standards are required and maintained for all projects except those defined as small, low risk, quality improvement changes. (Clarification on the definition of projects by size, risk and impact is necessary);*
- Influence and support the cultural shift of the organisation;*
- Deliver Project Management and skills training, i.e. PRINCE2 methodology;*
- Coordinate cross-Directorate projects within the programme to ensure they are delivered in full cognisance of each other with risks and opportunities fully visible;*
- Monitor the progress of individual projects against stated milestones and objectives;*
- Manage the effective delivery of the overall programme;*
- Support the project boards to deliver effective governance;*
- In some circumstances, provide direct project management support.*

Response

The PMO is now moving towards a wider offering of support for projects and expects to provide detailed advice and guidance to inexperienced project managers.

The mandatory project management methodology will provide the tools and guidance necessary to deliver projects, including the appropriate 'sizing' of projects. The PMO will be available to advise project managers on any aspect of the methodology.

The introduction of project management technology will improve visibility of projects, and enable the PMO to provide appropriate management information at both project and programme level. This will include risks and issue management, milestone management, benefit realisation, identification of key interdependencies.

Developing subject matter expertise within the team will enable a wider coverage of support across directorates. This will help to ensure that project documentation is robust, plans are realistic and reviews are completed as appropriate.

Capacity to provide direct project management support will be a challenge, but will be monitored closely and adjusted to ensure that resource is targeted appropriately. The PMO will be mobilising other parts of the organisation to support them:

- Audit – to develop an audit process for project management compliance.
- HR – through the development of the workforce strategy, make proposals for :
 - Project management to be an integral part of the Management Development Programme.
 - The development of clear project management career paths
 - The implementation of formal project management training (i.e. Prince2)
 - The development of professional networks / leadership skills.

Recommendation 15

Recommend that greater 'challenge' to the programme by Scrutiny would assist the council in ensuring residents' interests are central to proposals and that the right decisions are being taken.

Response

The recommendation is noted. There will be continued support for the Standing Scrutiny Review to provide recommendations for improvement.

Recommendation 16

Further improvement in the corporate culture for customer satisfaction and resident involvement has been identified. Greater clarity on the council's ambition for customer satisfaction is required in identifiable and measurable terms so that any improvement can be monitored and proven.

Response

The development of phase 2 will include the prioritisation of resident focused projects. All projects will be required to assess the impact of projects on residents through the project evaluation tool to help decision making on the level of governance of such projects. The programme definition document will establish baseline critical success factors/KPI's for resident satisfaction, in order to enable measurement of success following the implementation of projects.

Financial Implications

There are no direct financial implications as a result of the implementation of a mandatory project management methodology in 2011/12. However, there is potential for some costs to arise in future years around the following:

- Production of training materials

- Implementation of formal project management training
- Increase in license costs for use of the project management technology.

Performance Issues

The programme definition document for phase 2 will include baseline critical success factors around customer satisfaction, savings, and impact on staff.

Environmental Impact

There are no direct environmental implications associated with the recommendations of this report.

Risk Management Implications

The implementation of mandatory project management will embed effective management of risk for all council projects. The methodology will contribute to the effective management of risk for all projects by providing strong and clear governance arrangements.

Equalities implications

Was an Equality Impact Assessment carried out? No

The revised strategy and mandatory approach for project management is currently being developed, a full equalities impact assessment will be completed as part of this exercise.

The revised mandatory approach for project management will be enhanced to incorporate effective equalities impact assessments for all projects and will follow the updated corporate guidance to fit with the new Public Sector Equality Duty to ensure that the final decisions for all projects have due regard for equalities issues. The inclusion of this element will ensure that a more comprehensive consideration of equalities impact is achieved for all projects, rather than an 'after thought'.

The Better Deal for Residents programme has an EqIA, which will be revised as part of the development of phase 2. The equalities workstream for phase two will identify ID key equalities issues for consideration, offer support, challenge and review at end of process and ensure robust EIAs are produced.

Corporate Priorities

The delivery of Phase 2 Transformation projects will impact each of the corporate priorities. Effective programme and project management will help to ensure that outcomes are aligned with:

- Keeping neighbourhoods clean, green and safe.
- United and involved communities: A Council that listens and leads.
- Supporting and protecting people who are most in need.

- Supporting our town centre, our local shopping centres and businesses.

Section 3 - Statutory Officer Clearance

Name: Julie Alderson	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 21 June 2011		
Name: Stephen Dorrian	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 21 st June 2011		

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	Divisional Director Partnership, Development and Performance
Date: 21 June 2011		

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 21 June 2011		

Section 6 - Contact Details and Background Papers

Contact: Mala Kripalani, Service Manager – Programme Management Office, ext 2630

Background Papers:

Better Deal for Residents Programme - Standing Scrutiny Review Interim Report – Programme Management

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-in applies]