

REPORT FOR: PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE

Date:	2 February 2012
Subject:	Progress Report – Response to recommendations made by the Standing Scrutiny Review of the Better Deal for Residents Programme – Interim Report, Project Management
Responsible Officer:	Carol Cutler – Director of Business Transformation and Customer Services
Scrutiny Lead Member area:	Cllr Jerry Miles, Corporate Effectiveness Policy Lead Member Cllr Tony Ferrari, Corporate Effectiveness Performance Lead Member
Exempt:	No
Enclosures:	Summary of progress Harrow Project Management Framework

Section 1 – Summary and Recommendations

This report provides a progress update against recommendations made by the Standing Scrutiny Review of the Better Deal for Residents Programme in June 2011 and responses made to Cabinet in July 2011.

Recommendations:

Councillors are recommended to:

- I. Review the progress update.
- II. Note the changing role of the Programme Management Office
- III. Make any further observations to support the Council's desire to embed project and programme management.

Section 2 – Report

Introductory paragraph

In June 2011, the Standing Scrutiny Review of the Better Deal for Residents completed a review of programme management for the Better Deal for Residents programme. The scope of the review was to:

1. “consider the content of the Better Deal for Residents programme in terms of ambition, relevance, appropriateness
2. ensure effective project management processes are in place for the programme
3. consider the impact of the programme on:
 - the Council – is it achieving the outcomes envisaged – linked to the effectiveness of project management processes
 - residents
 - what impact are the changes having and how are these being mitigated – Better Together/Big Society,
 - how far do residents understand/appreciate the need for significant change are their opinions being taken into account, are they being actively engaged/convicted in the delivery of change
 - partners – are we working more efficiently with partners to deliver change, what is the impact on their services
 - managers – how well are they being supported in delivering change whilst at the same time being subject to that change

A number of recommendations were made, and submitted to Cabinet in July 2011. A full officer response was provided to Cabinet, and agreed.

This report provides the Performance and Finance sub-committee with a progress update for the recommendations.

The changing role of the Programme Management Office (PMO)

The role of the PMO has evolved significantly since its inception in 2009. It took overall responsibility for ensuring that robust processes were in place for the Better Deal for Residents programme, direct support to the Transformation Board (CSB), as well as providing a dedicated project manager to support for each Directorate.

In addition to this, the PMO provided resources to run the communications for the programme, oversee the HR implications and to track the financial impact of the programme.

Following the findings of the Capital Investigation, and that of the Standing Scrutiny Review of Better Deal for Residents, its focus has changed significantly. The PMO has launched a mandatory framework for project management and increased its focus on providing project managers council-wide with the tools and skills necessary to manage projects. The aim will be to add value to more projects across more of the organisation. This means placing a greater emphasis on establishing and supporting the implementation of useful project management standards for the entire organisation.

For transformation, it will continue to support the programme board and other cross cutting boards, including tracking and reporting of projects and cost/benefit management. It will also contribute directly to the transformation programme by delivering Lean/Six sigma projects either in their entirety, with Capita or as an element of a larger project.

The PMO currently has the highest concentration of Prince2 trained officers at Harrow and continues with its commitment to use its knowledge and skills to improve project management across the organisation. It can be seen from the progress update, that much has been achieved in the last six months alone. Continued support from Senior Management and Members is essential for this work to pay dividends.

Financial Implications

There are no financial implications associated with this report.

Performance Issues

There are no performance issues associated with this report.

Environmental Impact

There is no environmental impact associated with this report.

Risk Management Implications

There are no risks associated with this report.

Equalities implications

Was an Equality Impact Assessment carried out? Yes () No ()

This report is a progress update considering the robustness of the Council's agreed project/programme management process. No changes are proposed as a result of this report, therefore an EqIA is not required.

Corporate Priorities

Effective project and programme management will ensure that any project delivered on behalf of the Council is done so in line with one or more of its corporate priorities:

- 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

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact:

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Mala Kripalani, Service Manager Programme Management Office, 020 8424 1630

Background Papers:

1. Better Deal for Residents Standing Scrutiny Review – Interim Report – Programme Management – June 2011.
2. Cabinet Paper: Response to Standing Scrutiny Review Interim Report – July 2011.

Progress Update

	Recommendation	Response (Cabinet July 2011)	Update
1	<p>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.</p>	<p>1.1 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.</p> <p>1.2 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.</p>	<p>1.1 The Council has developed the Lets Talk theme for consultation on the major changes corporately and in service areas.</p> <p>A first phase of Lets Talk was used to inform the setting of the Council's vision and priorities. The review of Cultural Services was undertaken as part of Lets Talk 2.</p> <p>Major consultations have also been undertaken outside of the Lets Talk brand for Children's Centres and the AAP.</p> <p>A Council Officer Group, Better Together, also meets to coordinate consultation across service areas.</p> <p>1.2 The project sizing tool has been developed and requires project managers to assess the impact of projects on residents. A high score in this area will require stronger project and stakeholder management. The business case template has been designed and includes requirements for considering residents needs, completing stakeholder plans and equalities impact assessments</p>

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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.	<p>2.1 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.</p> <p>2.2 Deviations from this process will require approval from the Corporate Strategic Board, or any other nominated board as appropriate i.e. Capital Forum.</p>	<p>2.1 The mandatory project management framework has now been designed and launched (see attached framework). This includes a project sizing tool to be applied to all projects before development of a business case and project initiation document. The framework is supported by user friendly guidance, and aligns with the online project management tool Verto.</p> <p>2.2 No change.</p>
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.	3.1 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.	3.1 The mandatory project management framework has now been designed and launched. This includes a project sizing tool which requires project managers to assess the impact of projects on residents. The requirement to follow the project management approach has been built into the Council's Financial Regulations.
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	<p>4.1 The Programme Management Office (PMO) has reshaped its offering and reflected this within its Service Plan. There will now be a clear focus on:</p> <p>a. Subject matter expertise for specific areas of the methodology – for example, business case development, post project reviews, planning;</p>	<p>4.1</p> <p>a. Subject matter expertise continues to be developed amongst officers within the PMO.</p> <p>b. Project management training is being delivered corporately and through commissioning PRINCE2 training. Training is also being</p>

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	team confidence and greater communication at director level will ensure the development of improved relationships.	<ul style="list-style-type: none"> b. Providing project management training c. Running project start up sessions d. Delivering post project reviews e. Working closely with Directorate DMT's this supported through regular dialogue and communications. 	<ul style="list-style-type: none"> delivered by the PMO for those using Verto. c. Project start-up sessions have been designed and will shortly be advertised. d. Post project reviews are currently being designed, and will be delivered as and when projects are closed e. The PMO continues to work and communicate with directorates, and has plans for further work with project managers during the development of phase 2 of the transformation programme.
5	The cost of running the PMO should be more transparent in order to demonstrate the 'value added' to its service delivery processes	<p>5.1 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.</p> <p>5.2 The costs of the PMO will be clearly laid out in the Council's budget book.</p>	<p>5.1 There is no benchmarking club that covers PMO activities. A report will be produced each year to show the activities of the PMO and to show how costs and team set up compare to other West London Boroughs. The first report will be produced in April to review 2011/12.</p> <p>5.2 The costs of the PMO will be separately shown when the next Budget Book is published.</p>
6	As a corporate resource, the PMO should continually develop its skills knowledge	6.1 PMO staff are all Prince2 qualified, and are due to complete training in LEAN,	6.1 The PMO have received some training in the delivery of workshops, presentation

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	and expertise in transformation methods and knowledge management tools.	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.	skills through the corporate learning and development programme, as well as specific training with regards to designing workshops. LEAN training is yet to be delivered due to resource constraints.
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	<p>7.1 Training and project start up sessions will be developed in preparation for the expected implementation of phase 2 projects in September 2011.</p> <p>7.2 LEAN training is under review, pending the effective deployment of 14 staff trained to Green Belt level.</p>	<p>7.1 Project workshops have been designed, and are ready to be deployed. This is likely to take place following agreement of phase 2 of the programme. In the meantime, the PMO is taking opportunities to pilot workshop sessions.</p> <p>7.2 LEAN training will be reviewed in the new financial year. Progress is yet to be made around further deployment of council trained staff.</p>
8	<p>Changes to the Project Management Toolkit documentation are required:</p> <ul style="list-style-type: none"> • 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 	<p>8.1 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.</p> <p>8.2 Business cases will be required to focus on outcomes, with clear linkages to</p>	<p>8.1 The project management framework and supporting guidance is now in place and available for use through the Hub. This is supported by a project management strategy. Impact on residents is included within the business case, and there is specific guidance around delivering post project reviews.</p> <p>Further work is taking place to develop Verto and include specific elements around baseline information for service areas and benefit management.</p> <p>8.2 Business cases and project initiation documents require project managers to</p>

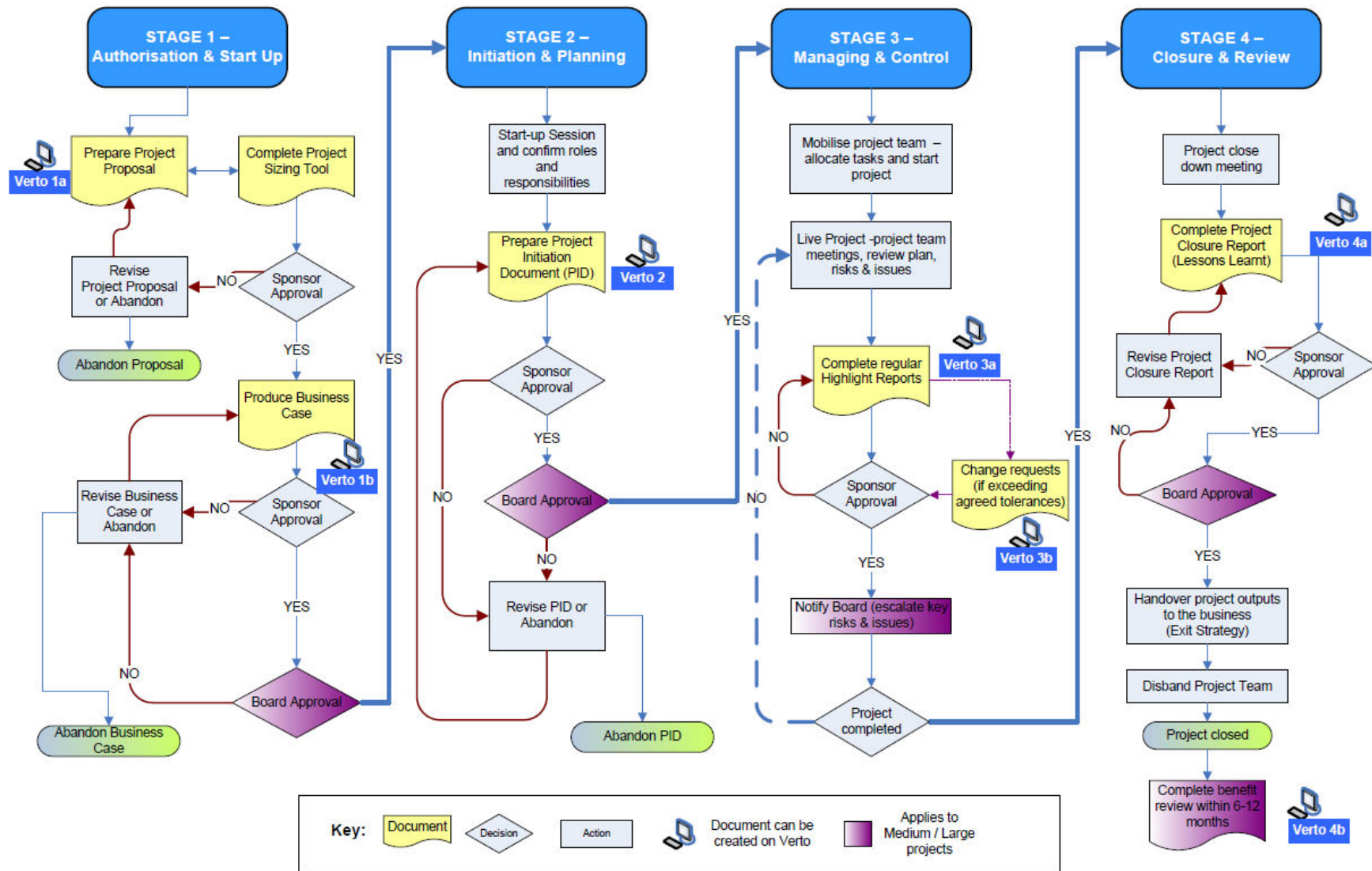
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	monitoring to ensure new processes are embedded.	corporate priorities and the transformation agenda.	explain how projects are aligned to corporate priorities and state the specific outcomes desired as a result of completing projects successfully.
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.	<p>9.1 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.</p> <p>9.2 There will be continued support for Scrutiny to review the programme and provide recommendations, which will provide the required level of checks and balances.</p>	<p>9.1 No change.</p> <p>9.2 No change.</p>
10	Additional points of political oversight, reporting and challenge should be built into the inception, implementation, sign-off and review of projects.	<p>10.1 Decisions to implement major business transformation projects will be made through Cabinet, along with those that are outside of the Council's policy framework.</p> <p>10.2 All transformation projects will continue to report to Cabinet in accordance with current arrangements.</p>	<p>10.1 No change.</p> <p>10.2 No change.</p>
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	11.1 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	11.1 The project management framework and supporting guidance is now in place and available for use through the Hub. A communications plan is in place to promote its availability. Work is ongoing to develop the Capital Programme and implement the new approach in April 2012.

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	to ensure consistency of standards, delivery and outcomes,	Programme and the Section 106 programme.	
12	The criteria to identify Better Deal for Residents projects should be clearly defined and agreed.	<p>12.1 The project evaluation matrix will be designed to identify transformation projects. New projects will be formally incorporated into the programme based on clear criteria.</p> <p>12.2 Business cases will be expected for all transformation projects with sign off through the Corporate Strategy Board.</p> <p>12.3 Transformation projects that are outside of the Council's policy framework will be presented to Cabinet.</p>	<p>12.1 The project sizing tool is in place, a review of transformation criteria is currently taking place, with a view to build this into the tool by the end of Feb 2012.</p> <p>12.2 No change.</p> <p>12.3 No change.</p>
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).	13.1 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.	13.1 Mandatory framework has been launched, ongoing communications for the next 6 months to promote its use. Further work needed to monitor compliance, through discussions with Internal Audit.
14	<p>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):</p> <ul style="list-style-type: none"> -Project identification, definition, scoping and objectives; -Sizing, complexity, risk (i.e. is it a Capita, Directorate or department project); 	14.1 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.	<p>14.1 The PMO has designed a number of workshops covering:</p> <ul style="list-style-type: none"> • PM Framework • Business case viability • Risk Management • Benefit Management • Planning • Scope Creep • Managing stakeholders • Supporting change • Using Verto

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	<p>-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</p>	<p>14.2 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.</p> <p>14.3 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.</p> <p>14.4 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.</p> <p>14.5 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:</p>	<p>14.2 The project management framework and supporting guidance is now in place and available for use through the Hub. A communications plan is in place to promote its availability and the support available from the PMO.</p> <p>14.3 The PMO continues to work closely with Verto developers (TMI Systems) to ensure that management reports reflect the needs of the organisation. It is envisaged that key reports will be developed before the end of this financial year.</p> <p>14.4 Subject matter expertise is available from officers within the PMO, covering the framework, Verto, Business Cases & PID’s, risk and issue management. Pocket guides are also being designed for distribution at workshop sessions, and made available on the Hub.</p> <p>14.5</p> <ul style="list-style-type: none"> • Work with Audit is yet to commence, resource constraints have delayed this action. • Project Management is now included on the Corporate L&D Plan, sessions are underway, having had full consultation with the trainers (OPM)

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	<p>overall programme;</p> <p>-Support the project boards to deliver effective governance;</p> <p>-In some circumstances, provide direct project management support.</p>	<p>Audit – to develop an audit process for project management compliance.</p> <p>HR – through the development of the workforce strategy, make proposals for :</p> <ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Career paths are yet to be considered. • Formal project management training (PRINCE2) is offered on an annual basis, 2 courses have recently been held. • Professional networks continue to be developed through the Project and Programme Management Forum. • Harrow will be hosting a Verto Cloud event on 8th February to showcase how we use Verto, how we have mobilised the PMO for the transformation programme and develop networks.
15	<p>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.</p>	<p>15.1 The recommendation is noted. There will be continued support for the Standing Scrutiny Review to provide recommendations for improvement</p>	<p>15.1 No change.</p>
16	<p>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.</p>	<p>16.1 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.</p> <p>16.2 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.</p>	<p>16.1 The project sizing tool is in place, a review of transformation criteria is currently taking place, with a view to build this into the tool by the end of Feb 2012 so that the development of the next phase of the programme takes resident impact into full account.</p> <p>16.2 The programme definition document will be produced following development of the next phase of the programme. The project management framework requires baseline information to be provided for all project benefits.</p>

Harrow Project Management Framework



Further information can be found in the resources section on the Hub.