

AUDIT AND RISK COMMITTEE

30 January 2018

PROJECT MANAGEMENT FRAMEWORK

Report of the Director for Resources

Strategic Aim:	Sound Financial and Workforce Planning	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr O Hemsley, Acting Leader and Portfolio Holder for Growth, Trading Services and Resources (except Finance)	
Contact Officer(s):	Dee Rajput, Corporate Programme Manager	drajput@rutland.gov.uk 01572 720964
	Debbie Mogg, Director for Resources	dmogg@rutland.gov.uk 01572 758358
Ward Councillors	Not applicable	

DECISION RECOMMENDATIONS

That the Committee considers the Project Management Framework and provides feedback to the Director for Resources including any suggestions for improvement.

1 PURPOSE OF THE REPORT

1.1 The purpose of this report is to present the Council's Project Management Framework to the Committee for comment and feedback. This was an action arising from the meeting held on the 30th August 2017, specifically in relation to Report No 155/2017 Children's Centre and Library Report.

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 Programmes and projects provide an important vehicle for the efficient and timely delivery of Council aims. Expenditure through programmes and projects therefore can be significant. Consequently, effective governance, management and control of programmes and projects is essential to the successful delivery of organisation objectives, and is best achieved through the deployment of a corporate project management framework (see section 4 for more details on the framework).

2.2 Project Management is becoming a mature function within the Council, as it has been deployed on multiple projects, providing a large degree of success to the:

- implementation of the new social care case management system:, Liquidlogic;

- major upgrade of the new resource management system: Agresso (Unit 4 Business World);
- the creation of the new corporate Website; and
- the implementation of the Green Waste system.

2.3 The Project Management framework offers a structured method for staff to use for successful project delivery. This framework is supported through the Project Management Office (PMO).

3 THE PROJECT MANAGEMENT OFFICE (PMO)

3.1 A PMO is the backbone of a successful project management approach in any organisation and it is a function that a) defines and maintains standards for project management, b) is the source of documentation and guidance on the practice of project management and execution and c) provides direct and indirect support to key projects and staff.

3.2 One of the aims of the PMO is to seek to improve the council's project management capability. This is achieved through improved decision-making, so that projects achieve strategic objectives; improved communication so that senior executives and stakeholders know the status of projects; and standardising project management practices throughout the organisation.

3.3 For the Council, the PMO has been an extremely useful facility as many projects have begun to adopt the project management framework and its processes/procedures. A recent example of how the PMO is focused on improved project management capability is work on the Planning System Replacement Project. This has one of the Planning team as its project manager, who has been helped with project delivery through the various templates offered by the PMO together with advice and support on how to use them, how to set up governance functions, how to develop project plans, how to identify risks and develop mitigation strategies, etc.

3.4 The PMO is also responsible for understanding projects and whether they are to be monitored by SMT. This is achieved by utilising a scoring mechanism developed by the PMO, which measures each project against a set criteria, for example, size of project budget, impact on council reputation, project complexity, impact on council operations, etc. The purpose of this process is to identify the important projects and to ensure SMT have an oversight of them and how they are progressing.

4 THE PROJECT MANAGEMENT FRAMEWORK

4.1 The project management framework (summary flowchart found in appendix A and detailed framework found in appendix B) offers guidance on the common stages and steps which apply to all projects. The aim is to establish a common framework, for the management of projects and projects risks, which is critical to success, whilst maintaining the need to be flexible as not all stages and steps will be relevant to every project.

4.2 A Project Management Framework supports the implementation of a project management structure because it:

- i) Helps communication within the team through a common language
- ii) Streamlines the use of tools and techniques for key project management processes
- iii) Establishes a consistent approach which aid customers understanding of the project management processes
- iv) Ensures that focus is maintained on the early stage of the project lifecycle
- v) Supports the development and replication of accepted practice

4.3 The summary flowchart found in Appendix A, is used to provide an oversight for project sponsors/leads to determine how their projects could be delivered through the framework (i.e. the key steps their project will need to follow). This will be followed by the project manager using the detailed framework found in Appendix B, to help deliver the project through the framework (i.e. the project deliverables, governance structures, processes, etc.).

4.4 The Project Management Framework is guidance for officers undertaking projects. It sits outside the formal decision making processes and the Council's constitution. Any decisions required to progress a project, be that seeking budget for the project, or getting approval to tender a contract must be taken following the relevant rules within the constitution i.e. the Financial and Contract Procedure Rules. The guidance prompts Officers to consider what their decision making route needs to be, and then highlights the decision points within the project management framework.

4.5 The Internal Audit report on the Library and Children's Centre highlighted a number of areas where lessons have been learnt and the Project Management Framework updated as a result. These areas are mainly in the project initiation phase of the framework, but a more general review of the whole framework was also carried out. The following changes were made as a result:

- i) Establishment of formal project governance arrangements (stage 0 [on the framework])

The Project Management Framework for all projects will establish a Project Board earlier in the process to oversee the project initiation and feasibility work. These Boards will include, as a minimum, the relevant Portfolio Holder.

- ii) Budget Setting (stages 0 and 1)

The project board will now oversee the initiation phase and will provide more effective challenge to the development of the plans and budgets. In addition, there will be a finance representative on all project boards ensuring there is engagement much earlier in the project process.

- iii) Effective challenge of proposals (stages 0 and 1)

Having finance representation on the Project Board, will help ensure that all relevant costs are included in the budget presented for approval. In addition, having a project board will also allow for a more robust response to any

challenge from elected members or officers and this will be achieved through an evidence based approach, such as feasibility studies, surveys etc.

In the terms of reference developed for Project Boards, they have been given the collective responsibility for deciding when a project is ready to seek formal budget approval as they will thoroughly scrutinise them, and only then, provide the authority to progress.

Finally, there is now a monthly report to Strategic Management Team (SMT) on the status and risk of all corporate projects. This provides an additional layer of challenge outside of the project boards and allows for the independent escalation of issues.

4.6 The table below shows the typical risks a project is likely to face and how the adoption of the project management framework will help mitigate those risks:

Typical Project Risk	Mitigation
Scope is poorly defined (in Project Brief)	<ul style="list-style-type: none"> - Scope scrutinised and agreed by project board - Scope independently reviewed by SMT - Cross council representation on project boards
Costs and schedule estimates are inaccurate (overly optimistic) (presented in Business Case)	<ul style="list-style-type: none"> - Business scrutinised and case agreed by project board - Business case independently reviewed by SMT - Finance representation on project board - Contingency built into budgets
Resource shortfalls (e.g. staff, presented in Business Case)	<ul style="list-style-type: none"> - Resource plan scrutinised and then agreed by project board - Dedicated/Specialist resource given to project where needed - Regular monitoring through project board identifying issues and providing corrective action
Scope creep (i.e. additional items being added for delivery, presented in Business Case)	<ul style="list-style-type: none"> - Scope changes reviewed and agreed by the project board - Escalation to SMT should cabinet/ council approval be required - Regular monitoring through project board identifying issues and

Typical Project Risk	Mitigation
	providing corrective action
Project slippage on timescales	<ul style="list-style-type: none"> - Regular review and monitoring through project team and identifying corrective action - Project board oversight and scrutiny - SMT monitoring of project status

5 CONSULTATION

5.1 Consultation was carried out with the Strategic Management Team, Head of Legal and Governance and other relevant Officers.

6 ALTERNATIVE OPTIONS

6.1 The Council could choose to not have a corporate project management framework but this is not considered to be a feasible option as it would mean inconsistency across the various projects and inadequate governance arrangements.

6.2 The full PRINCE II, or alternative, project management methodologies could be adopted but this is considered to be unsuitable because the frameworks are usually over detailed and fairly rigid in their approach to project management and delivery.

7 FINANCIAL IMPLICATIONS

7.1 There are no direct financial implications arising from this report, but good project management arrangements are key to the effective use of resources, both money and staff time.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

8.1 The Project Management Framework itself does not set out prescriptive decision making, and approval requirements. It guides Officers through the various steps, linked to the Council's normal decision making processes, i.e. the Constitution. The most relevant parts being the Contract Procedure Rules and Financial Procedure Rules. Both documents can be found on the Council's website.

9 EQUALITY IMPACT ASSESSMENT

9.1 An Equality Impact Assessment (EqIA) has not been completed because the Project Management Framework will be supplementary to each project, where the relevant EqIA's will be carried out.

10 COMMUNITY SAFETY IMPLICATIONS

10.1 There are no community safety implications.

11 HEALTH AND WELLBEING IMPLICATIONS

11.1 There are no health and wellbeing implications.

12 BACKGROUND PAPERS

12.1 There are no additional background papers.

13 APPENDICES

13.1 Appendix A - Project Management Framework Overview

13.2 Appendix B - Project Management Framework Guidance for Officers

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.

Appendix A. Project Management Framework – Overview

Project Management – Framework Process Flow

V0.6

