

AUDIT & RISK COMMITTEE

29 January 2019

PROJECT FRAMEWORK – GOVERNANCE & RISK MANAGEMENT

Report of the Director for Resources

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr O Hemsley, Leader and Portfolio Holder for Rutland One Public Estate & Growth, Tourism & Economic Development, Resources (other than Finance and Communications)	
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DECISION RECOMMENDATIONS

That the Audit and Risk Committee:

1. Approve the update to project guidance in respect of “very high risk” projects.

1 PURPOSE OF THE REPORT

- 1.1 To seek approval of changes made to Project Management guidance.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 Councillors requested a review of the Project Management guidance to provide revised governance and oversight arrangements for very high risk projects. In asking for a review of the existing project methodology, it was made clear that Councillors did not wish to create a bureaucratic process and significant additional work but wanted to ensure that where the Council delivers “very high risk” projects, Councillors are appropriately involved.
- 2.2 A “very high risk” project is typically one which has significant corporate implications (e.g. it would typically have a high value, carry with it significant reputation risk and be of high public interest). We have produced a scoring assessment as a guideline (Appendix A) for use. However it is recognised that the definition is subjective. In this context, therefore, it is important that there are checks and balances that allow the assessment to be revisited or challenged.

2.3 Moving forward the process to be adopted will be as follows:

- SMT in conjunction with Portfolio Holders will assess whether or not a project is “very high risk”;
- The assessment will be made by reference to the guidelines (see Appendix A)
- If a project is designated “very high risk” then in line with existing Governance Framework, Cabinet or Council will be asked to establish the Project Framework. The Constitution and relevant legislation will determine the appropriate route.

2.4 In practical terms, this is how the above steps would apply to a new project. For example, consider that the Council are concerned that the offices are no longer fit for purpose. The project would initially be assessed by SMT and in these circumstances would be determined a “very high risk” project, a report would then go to Cabinet identifying the next steps and draft Project Framework (Board, TOR etc). Cabinet would then suggest whether the governance structure is appropriate. This could mean that Cabinet decide that such a Project Group is or is not required. Should Cabinet decide to establish a project group then the Project Group with the relevant portfolio holder as the Project Sponsor would then proceed to analyse the options available etc. The Scrutiny Committee will be able to consider any report to Cabinet should they wish and make further suggested changes, if required e.g. suggest alternative membership for example.

2.5 Members will be aware that the vast majority of projects will not be considered to be very high risk and as a consequence a half yearly report will provide corporate project updates.

3 CONSULTATION

3.1 Consultation is not formally required. Revisions to the Project Management guidance have been discussed with the internal audit team and the Chair of Audit and Risk.

4 ALTERNATIVE OPTIONS

4.1 The Committee could request further changes or maintain existing Project Management guidance.

5 FINANCIAL IMPLICATIONS

5.1 There are no direct financial implications arising from this report.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

6.1 The provisions are in line with the existing Constitution.

6.2 Project Management guidance provides support to officers to ensure projects are delivered in line with appropriate governance arrangements.

7 DATA PROTECTION IMPLICATIONS

7.1 There are no data protection implications arising from this report.

8 EQUILITY IMPACT ASSESSMENT

- 8.1 An Equality Impact Assessment (EqIA) has not been completed as it is not required as part of this report. The report creates a framework and specific projects will be considered through the EqIA process as required.

9 COMMUNITY SAFETY IMPLICATIONS

- 9.1 There are no Community Safety implications as part of this report.

10 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 10.1 The proposed guidance seeks to provide the correct balance in ensuring appropriate oversight of “very high risk” projects while not creating a framework that would add significant extra costs and hamper project delivery.

11 APPENDICES

- 11.1 Appendix A – Project Scoring Matrix

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

Appendix A. Project Scoring Matrix

Project Governance & Risk table identifying the level of governance and reporting required for each level of project, using the risk scoring from the previous table.



Risk & Project Evaluation Criteria

Criteria	1	2	3	4	5	Weighting
Financial / Budget Risk - Cost element of the project and on-going financial commitments	Up to £100k project budget, low (<£25k) on-going financial commitment	Between £100k and £250k project budget, medium (£25k-£49k) on-going financial commitment	Greater than £250k project budget, high (>£50k) on-going financial commitment			Score x6 (max 30)
Risk of Impact on Service Delivery - How the council staff and its services are impacted by the project	Low – limited impact on service without project, up to 10 officers impacted, single service/single directorate	Medium – service impact without project, between 10 and 25 officers impacted, multiple service/single directorate	High – service(s) failure without project, greater than 25 officers impacted, multiple service/multiple directorate			Score x3 (max 15)
Reputational Risk - The standing of the council in the public impacted by the project	Low risk of reputational damage	Medium risk of reputational damage	High risk of reputational damage			Score x8 (max 40)
Project Delivery Risk - How difficult the project is deemed in terms of delivery	Low – no dependencies, generous timescales, non technical, simple or no procurement, non legislation based project	Medium – fixed timescale, dependencies on other projects, technical, small procurement exercise, simple legislation based project	High – technical, specific skillset, dependencies on other projects and services, short timescales, complex (OJEU) procurement exercise, complex legislation based project			Score x3 (max 15)



Project Governance Set Up & Risk Management

Tolerance	Project Requirements	Governance & Reporting
Low Risk (0 – 59)	No dedicated project manager PMO templates available for use and general guidance Planning through service	Governance through the service Limited/No member involvement No PMO reporting
Medium Risk (60 – 74)	Part time service led project manager PMO support and general guidance Project plan developed Reduced project documentation required (Business Case, Risk & Issues log, Minutes/Actions Log)	Governance structure in place (project team) Limited member involvement No PMO reporting Local logging of risks and issues
High Risk (75 – 89)	Dedicated project manager by directorate or Corporate PM Project run through PMO Project implementation plan developed Project documentation required (PID, Business Case, Governance, Risk & Issues Log, Communications Plan, Minutes/Actions Log, Change Control)	Full governance structures (project board and project team) Project Board includes Project Sponsor, Portfolio Holder Reporting into SMT through PMO Reports to Cabinet PMO reporting of risks and issues (projects dashboard)
Very High Risk (90 – 100)	Dedicated project manager by directorate or Corporate PM Project run through PMO Project implementation plan developed Project documentation required (PID, Business Case, Governance, Risk & Issues Log, Communications Plan, Minutes/Actions Log, Change Control)	Full governance structures (project board and project team) Project Board includes Project Sponsor, CEO, Director, Leader, Portfolio Holder, Ward Member (where applicable), with recorded meeting (minutes log) Reporting into SMT through PMO Reporting to Members through Cabinet and Scrutiny PMO reporting of risks and issues (projects dashboard)