Chorley Council

Report of	Meeting	Date
Assistant Chief Executive (Policy and Performance) (Introduced by the Executive Member for Policy and Performance)	Executive Cabinet	15/11/07

MOVING FORWARDS WITH PROJECT AND PROGRAMME MANAGEMENT

PURPOSE OF REPORT

1.   The purpose of this report is to review our project and programme management achievements to date, to analyse our current situation and to detail the actions being taken to strengthen our approach further.

RECOMMENDATION(S)

2.   That the report be noted.

EXECUTIVE SUMMARY OF REPORT

3.   This report is split into three sections, a high level overview of the key elements of project management at Chorley, an update on where we are against a number of internal audit recommendations, and finally a review of our project management maturity following a regional survey.

4.   The general overview highlights some real achievements in terms of our reputation within the region and our project management toolkit, which is considered good practice. Looking forwards there are a number of areas we now need to look at such as training, capacity and improving governance arrangements if we want to continue to deliver projects effectively and maintain our reputation in this field.

5.   The internal audit of project management again was positive with just a small number of risks being identified. Actions to address each of these areas have been agreed and are now being taken forward. This section provides a brief overview of the areas identified and the types of actions agreed.

6.   The final section is a detailed analysis of our current project and programme management maturity following a regional survey commissioned by the North West eGovernment Group (NWeGG). Overall the results are very encouraging. Our project and programme management maturity is above average for the region for six of the nine themes measured, with us achieving the highest score in the region for the 'strategic alignment' theme.

7.   On a practical level, out of the 44 key projects approved in December 2006, 30 have now been completed and the remaining 14 are progressing on or ahead of plan delivering outcomes such as the housing stock transfer, 0% council tax increase, and achieving Investors In People.

8.   Our project management approach is also a key tool in ensuring the capital programme is aligned to our corporate strategy, and that we are investing in projects, which will help us to deliver our strategic objectives and long term outcomes.

9.   As expected the percentage of capital projects using the toolkit exceeded target by 1%, to 71%, which is a significant improvement on the 2005/06 performance of 34%. This shows the approach to managing capital schemes as projects is becoming embedded within the Council. The majority of the 29% not using the toolkit are schemes, which were already underway before the toolkit was introduced.

10.   Managing capital schemes as projects has also helped to improve expenditure of the capital programme and reduce slippage, which had been highlighted as a concern in CPA peer challenge in 2003.

11.   Examples of successful capital projects which have been completed in 2006/07 include the introduction of an ePlanning system utilising the planning portal, a refresh of our website, the development of a number of play facilities throughout the Borough and an extension to Chorley cemetery.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

12.   To keep members informed about our project and programme management achievements made to date as well as our plans to ensure we continue to develop our maturity in this area.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

13.   None.

CORPORATE PRIORITIES

14.   This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the central Lancashire sub region		Improved access to public services	
Improving equality of opportunity and life chance		Develop the character and feel of Chorley as a good place to live	
Involving People in their Communities		Ensure Chorley is a performing Organisation	✓

BACKGROUND

15.   Increasing expectation placed on local government means that there are more projects on the go than at any other time and the ability to consistently deliver projects is increasingly becoming a measure of our effectiveness. Last year we spent over £13 million on project related activity therefore it is vital that this investment and effort delivers real business benefits.

SECTION ONE- GENERAL OVERVIEW

Our Reputation

16.	Chorley's reputation for project and programme management remains excellent. We are involved in a partnership project with NweGG and the North West Improvement Network (NWIN) to develop a regional support centre to improve the delivery of North West councils' strategic goals through better programme and project management.

17.	In the past two years we have also had visits from Councils such as Blackburn and Oldham, hosted and presented at NweGG Project and Programme managers events and in the last month alone we have had visits from Tameside, Salford and Blackpool Councils who were all keen to learn from our experiences in this field.

18.	In addition good networking links have been forged with other councils such as Macclesfield and Manchester. These links continue to be valuable to us in learning from each other and provides a useful benchmark against our progress in project management.

19.	However despite our current reputation there are signs that this could weaken if we don't continue to move forwards with project management as other councils in the region are. Although we were once leading the way, the majority of councils in the region now have established toolkits similar to ours, comprehensive training programmes, project support offices, supportive project collaboration IT systems, and some of the larger authorities have pools of dedicated project managers. In essence most have caught up to us, and are fast over taking.

20.	The actions identified within this report will enable us to continue to drive forward project management and improve the delivery of our projects for the people of Chorley, whilst also ensuring we remain a key player in the region.

THE PROJECT MANAGEMENT TOOLKIT

21.	Our project management toolkit was originally developed in 2002 in partnership with Salford Council and Fox IT Ltd, and was initially used to manage the Council's eGovernment projects.

22.	Following the establishment of the project support officer post in May 2005, the toolkit was significantly refreshed making it more user friendly, flexible and applicable to all types of projects. This included reducing the number of documents to be completed, adding in clearer guidance, ensuring the toolkit 'fit' the needs of our council, whilst also reviewing it against good practice in the region and ensuring best practice principles of PRINCE2 were incorporated as appropriate.

23.	Internally an internal audit of project management carried out in 2006/07 found the toolkit to be clear and comprehensive, while also being scaleable to ensure that an appropriate and practical level of control is applied according to the size and complexity of the project.

24.	Our toolkit is also highly regarded and recognised externally with many councils including Warrington, Blackpool, North Yorkshire County Council, Vale of Glamorgan, and Halton Borough Council requesting copies of our toolkit and the North West Centre of Excellence (NWCE) choosing our toolkit as the recommended approach on their website.

25.	While the toolkit has been used successfully to manage capital project for the last two years, and the corporate key projects for one year there is still a perception that there is too much paperwork to complete and the process is overly bureaucratic.

26.	In actual fact benchmarking our toolkit against others used in the region, ours is one of the lightest touch approaches. The toolkit really does just require the user to complete the most essential information in order to effectively manage and monitor the project and therefore it is not recommended that the documentation be reduced any further.

27.   However it is now two years since the last major review of the toolkit, therefore a review of the toolkit and templates engaging project managers and reviewing against good practice regionally and nationally is now required.

TRAINING

28.   Since February 2006 67 members of staff have attended a two hour in-house project management overview training session. These have been supported by monthly surgery sessions, one to ones, project manager workshops as well as a dedicated project management area on the loop.

29.   The training to date has been well received however it is now felt that more time and resources need to be dedicated to project management if we are going to continue to embed the process within the organisation and increase our capacity to effectively manage projects. To address these issues in more detail a paper reviewing other options for more comprehensive training together with the costs and benefits is being prepared.

30.   In the meantime a new programme of project manager workshops will be developed and arranged over the coming months and all project managers and project board members will continue to be encouraged to attend the internal overview training.

CAPACITY

31.   Lack of capacity is a common cause of project failure, and is a particular issue for us as a small and ambitious authority. It is unlikely that we will ever entirely resolve capacity issues but it is important that we are aware of the extent to which it is an issue.

32.   In 2006/07 we had 86 projects (capital and key projects) managed by 39 members of staff, some responsible for up to seven projects in addition to their day job. Only three projects (Housing Stock transfer, Astley Park and ePlanning) had a dedicated project manager.

33.   Despite capacity issues and minimal training we have achieved a tremendous amount. For example out of the 44 key projects approved in December 2006, 30 have now been completed and the remaining 14 are progressing on or ahead of plan delivering outcomes such as the housing stock transfer, 0% council tax increase, and achieving Investors In People.

34.   Although the first year of key projects has clearly been successful, lessons have been learned and taken into consideration as part of the annual Corporate Strategy refresh. For example the number of key projects has been reduced from 44 to 30. In addition we will continue to closely monitor our capacity to deliver projects as well as working to increase capacity through training and further developing the toolkit to ensure it is user friendly.

GOVERNANCE

35.   Following approval of a director level restructure Strategy Group will now take on the role and responsibilities previously fulfilled by the Corporate Improvement Board.

36.   To support strategy group in understanding its programme management roles and responsibilities, board member training needs to be developed and completed by each member of strategy group.

37.   In the last 12 months directorates have been encouraged to set up project boards. This was an attempt to further embed the process into the organisation and ease the workload at the programme level, by giving directorates more responsibility and where appropriate decision making over the delivery of their projects. This approach is working well and has had positive feedback from Directors who are now better able to monitor projects within their directorates.

SECTION TWO - INTERNAL AUDIT OF PROJECT MANAGEMENT

38.   An internal audit of project management was carried out at the end of 2006. The audit reviewed the management of the capital programme to see how the project management process was being applied in practice. The overall rating was 'adequate' which was the highest rating achievable. The description of adequate is that the Authority can place sufficient reliance on the controls, with only a small number of minor weaknesses being found.

39.   Risks identified include project plans being approved without an appropriate level of scrutiny and challenge, lessons learned from projects not being shared and that project managers may not understand the toolkit and may not maximise its benefits.

40.   To address these risks a number of actions have been agreed such as, ensuring Project Boards approve Project Initiation Documents before work commences on a project, developing a database to record all lessons learned and carrying out a training audit with training being arranged to address any gaps. Good progress continues to be made against each of the agreed actions.

SECTION THREE - PROJECT & PROGRAMME MANAGEMENT MATURITY ANALYSIS

41.   In April 2007 as part of the NWeGG project to look at the feasibility of a regional Project and Programme Management (PPM) support centre, 42 authorities in the region were approach to take part in a PPM maturity benchmarking exercise. A maturity model along with supplementary survey questions was sent to authorities in the northwest.

42.   The maturity model has been devised as a tool to assist organisations in identifying areas of weakness and improvement strategies through nine different themes, enabling organisations to see how mature their programme management skills really are, compared with how mature they think they are, and how mature they want to be.

43.   Overall the results are very positive. Our project and programme management maturity is above average for the region in six of the nine themes, with us achieving the highest score in the region for 'strategic alignment'.

44.   The analysis below picks out a number of areas we need to strengthen in order to raise our project and programme management maturity. These areas are all being addressed by appropriate actions, which are also detailed below.

Strategic Alignment

45.   This is our strongest theme. We scored 73%, which was the highest out of all the authorities surveyed. This theme considered strategic planning, programme identification and programme alignment. Our strength lies in our clear and succinct Corporate Strategy, which as well as outlining our priorities, strategic objectives and long term outcomes, also includes measurable targets and key projects which are monitored quarterly in order to ensure we are on track to achieve what we set out to achieve. In addition all business cases must demonstrate clear links to one or more of our priorities in order to stand a chance of being approved.

Benefits Management

46.   Benefits management is also a strength. Our actual score of 43% is significantly higher than our initial gut feel of 20% and is above average for the region. We scored well under

the sub themes of benefits definition and ownership due to the benefits table in the business case, which require project teams to define and agree SMART targets, timescales, and identify owners. Scoring lower was the sub theme of benefits realisation, due to the lack of not only the benefits, but projects being reviewed on and post completion. This weakness is mirrored in the overall scores, highlighting this as an area for improvement across the region. In response to this issue all projects will complete an end project report and plan a date for a post project review.

Cost and Resource Management

47.   This theme was our second weakest. Our score of 26% puts us below average by more than 10%. This is due to inconsistent project plans, based on guess-timates or past experience, lack of baselines, key milestones, and management approval. Without a well thought out project plan it is difficult to properly monitor progress. To address this issue, future projects will not be approved without a suitable project plan, and further training will be given to project managers on how to develop project plans.

Dependency Management

48.   This is our weakest theme. Our score of 15% is below the overall average of 24%. However is must be noted that overall this is the weakest theme again indicating this as an area for improvement across the region. The low score is due to poor definition and review of dependencies with other projects. This is shown through a lack of dependencies with other projects being considered and recorded on project plans, a lack of consideration of dependencies when scheduling a project and conflicts between project schedules not identified due to dependencies not being considered at a programme level. To address this weakness strategy group will:

   - Consider the bigger picture in regard to dependencies between projects as part of their role as the programme board for the capital and key projects.
   - In addition programme plans will be developed from the information contained within the project plans, to enable Strategy Group to consider dependencies at a programme level.
   - Also the project documentation will be reviewed to incorporate dependency management.

Performance Reporting

49.   We scored 44% for performance reporting against an average of 33%. Consolidation of reports is a strength as they are produced by interpretation and consolidation of project reports (highlight & exception) by performance advisors. However the maturity analysis has identified room for improvement under the sub theme reporting frequency and measurement.

50.   To address these issues project manager workshops will be used to clarify the reporting process, the benefits of reporting, and share examples of good reports. While project boards will be encouraged to review and discuss the reports regularly.

Issue and Risk Management

51.   This is a strength, and our second highest score of 55%, which is above the overall average of 48%. We have a documented process to explain how risks should be identified, assessed, managed, reported and escalated, and staff are encouraged to identify risks throughout the project. Although the process is in place the weakness lies in the lack of risk registers that are actually completed, and the value they add when they are. This is an issue both at project and programme level. A recent internal audit identified the risk of not managing risks appropriately, stating that this could lead to project objectives not being achieved, deadlines being missed or budgets being overspent. As a consequence, all business cases being submitted for approval will also be expected to have a risk register.

52.   To strengthen issue and risk management further a session on risk and issue management will be held at a future project management workshop, in addition the training on risk and issue management will be reviewed as part of the refresh of the project management toolkit.

Staff Management

53.   We have scored low for staff management (35%), which is 5% below the overall average. This is due to roles and responsibilities not being clearly defined or understood, skills not being defined for roles, and staff not being matched to the corresponding roles for their skills. This is partly a consequence of the capacity issues we face as a small district council as identified above.

54.   Other Councils have a policy of not approving projects if they don't have the right team with the right skills. Therefore in future project boards will follow this approach and consider the skills and capacity of those staff likely to be involved in any project prior to giving the project approval to proceed. Also that roles and responsibilities of project team members will be documented and approved by the project boards.

Systems & Technology

55.   A score of 45% is above the overall average of 35% and above the initial gut feel of 20%. The loop and network allow for some degree of document sharing, however there is no functionality for version control, viewing the status of the programme as a whole, or generating automatic alerts and reports.

56.   It has been agreed that the costs, benefits and options for project collaboration software, which is used effectively by some councils to support the process of project management be researched and reported to a future Strategy Group meeting.

Supporting Processes

57.   We scored 48% which is above the overall average for this theme of 42%, and the our third highest score. This is due to the robust project management and approval processes we have in place, which include the development and approval of business cases and project initiation documents, including baselined project plans.

58.   Our weakness in this theme lies in our lack of standard Quality Assurance (QA) approach, and is not uncommon with other councils in the region. While the project documentation is reviewed by project support prior to it being submitted for approval, checklists will now be introduced to enable QA to be done in a more standardised way.

IMPLICATIONS OF REPORT

59.   This report has implications in the following areas and the relevant Corporate Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (BUSINESS IMPROVEMENT)

60.   There are no immediate financial consequences associated with this report. Any future costs are likely to be those for investing in training, which will come from the Council's current budget for training.

LESLEY-ANN FENTON
ASSISTANT CHIEF EXECUTIVE (POLICY AND PERFORMANCE)

There are no background papers to this report.

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