

MIDDLESBROUGH COUNCIL

COMMITTEE REPORT

CORPORATE AFFAIRS AND AUDIT COMMITTEE

7 December 2017

Annual Review of Programme and Project Management

HEAD OF SERVICE: Paul Stephens, Head of Performance and Partnerships

PURPOSE OF THE REPORT

1. This report identifies the findings from the recently-completed first annual review of the Programme Management Office, and includes proposals to further embed practices and ensure successful delivery of programmes and projects across the Council which have recently been agreed by Executive on 28 November 2017.

BACKGROUND

2. An internal audit of project management arrangements, supported by Council's external auditor in its Value for Money conclusion on the 2014/15 Statement of Accounts, triggered the development of the Council's Programme and Project Management (PPM) Framework. Launched in January 2016, the Framework resulted in a number of changes to PPM practice, including:

- appropriate categorisation of projects, ensuring documentation, governance and resourcing is proportionate to scale and scope;
- establishing a governance framework that promotes Directorate accountability and delivers appropriate corporate oversight of progress; and
- ensuring support for programme and project managers through the development of a Programme Management Office, a bespoke ICT solution, and training for over 100 staff routinely involved in project management.

3. The framework also identified the need for a Programme Management Office (PMO). Deloitte was commissioned to support the newly established PMO from August to November 2016 in developing and implementing the PPM Framework and its associated governance arrangements.

4. Progress was reported regularly to Executive and to Corporate Affairs and Audit Committee within Council Improvement Plan updates.

5. Deloitte’s final Programme Management Office report (reported to Executive on 18 April 2017) identified strong progress in implementing a robust governance arrangements from programme and project management within the Council, concluding:

“The significant progress that has been made in the last six months is evidence of the high levels of commitment from the Council. The implementation of a fully functioning PMO and associated systems and structures is a complex and difficult endeavour, and what has been developed will allow the organisation to support the implementation of key projects in a robust manner.

All objectives set out in our Phase One Diagnostic Report dated June 2016 have been addressed to a high standard. The only area where progress achieved needs more time before the Council can be confident that permanent change has occurred is with regard to developing the ‘Culture of Accountability’. This is not because the Council have not improved in this area, but because embedding a cultural change can take a significant amount of time, far beyond the timescales of this project. However, the progress made is in line with what would be expected at this stage of development and is very encouraging.

Further development of the PPM Framework, Governance Structures and Systems will take place over the next 12-18 months as processes bed in, which should be approached in a spirit of continuous improvement, ensuring the PMO is as effective as possible for the Council.”

6. The intention of this report is to demonstrate compliance against the Corporate Programme and Project management Framework and detail progress made since April 2017 and future plans. The report also addresses the points made by Deloitte, and also those made by the Council’s LGA Corporate Peer Review team following its return visit in June 2017.

Progress achieved

7. Deloitte’s view of progress (outlined above) has now been validated by both internal and external audit. A review of the Change Programme (managed under the PPM Framework) by Internal Audit during 2016-17 found that there was STRONG control environment. The Value for Money qualification applied by the Council’s external auditor relating to project management was removed in the 2016/17 opinion.

8. The following table demonstrates the significant improvements made in programme and project management since the implementation of the PPM Framework, with Red-rated Level 1 programmes and projects reducing from 13% in November 2016 to 0% currently.

RAG	Nov CPB	Feb CPB	Jun CPB	Sep CPB
Red	13%	2%	2%	0%

Amber	10%	12%	9%	8%
Green	77%	86%	89%	92%

9. The organisational benefits of this are already being felt e.g. the Quarter Two 2017/18 capital outturn reported accelerated progress reflecting the success of the Council's new programme and project management discipline.

10. The PMO team won the Business Improvement Award at Annual Staff Awards in July 2017.

11. It was agreed at Corporate Affairs and Audit Committee on 28 September that the Chief Executive would present bi-annual Programme and Project Management reports to the Committee. This report forms the first of such reports, with future dates added to the CAAC 'future works' plan.

12. There are no ward implications as a result of the proposals outlined in this report.

PROPOSALS

13. Alongside those reports of auditors and advisors to the Council outlined above, project managers within the Council have been consulted on potential future improvements to PPM arrangements, with 166 project sponsors and managers surveyed in August of this year. 35 responses were received and findings showed that:

- 95% of respondents found the PPM Framework useful / very useful;
- 90% found project documentation useful / very useful; and
- 96% found PMO support easy to access, responsive and at the 'right level'.

14. The survey also identified issues relating to communication, project documentation, and the PPM ICT solution, which will be taken forward as part of the PMO Improvement Plan which will be achieved in full by the end of 2017/18.

15. Developing and implementing the right PMO model can take up to two years and it is anticipated that arrangements will evolve regularly as a result of changing business priorities.

16. Over the next year, the PMO will continue to develop its professional leadership role in relation to PPM, establishing a Centre of Excellence to support, advise and guide project managers, and provide assurance to sponsors and the wider organisation. This will include:

- formally establishing and meeting expectations in respect of business partnering from the PMO, alongside side its monitoring responsibilities;
- advising on and supporting the recruitment and development of programme and project managers; and
- hosting quarterly PPM best practice groups, sharing of case studies and new developments.

17. The Council's PPM portfolio will be fully aligned to strategic priorities and the Forward Work Plan, and reviewed quarterly to ensure full coverage is achieved. PPM guidance will be revised to set out key principles for project management within a partnership environment.

18. Investment principles will be built into financial / benefit trackers to ensure alignment with Investment Prospectus targets, and improved consideration of social value / non-financial benefits will be given when developing business cases.

19. Improvements to the PPM ICT solution will be identified, mapped out and implemented.

20. PMO key performance indicators will be established, monitored and reviewed to track quality of documentation, project RAG-rating, benefit realisation, and user satisfaction.

FINANCIAL CONSIDERATIONS

22. There are no direct financial implications arising for the recommendations within this report.

RECOMMENDATIONS

23. That the Corporate Affairs and Audit Committee acknowledge progress made to date in improving Programme and Project Management and planned next steps and to consider whether current arrangements and future plans are sufficient to ensure good governance around Programme and Project Management.

BACKGROUND PAPERS

25. Background papers to be considered are as follows:

18/04/17	Executive, Council Improvement Plan update
21/11/17	Local Government Association Corporate Peer Review - Follow-up visit
21/11/17	Budget and Balanced Scorecards - Position at Quarter Two 2017/18
28/11/17	Executive, Annual Review of Programme and Project Management

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