

CABINET

6 July 2016

REVIEW OF PROJECT MANAGEMENT GUIDANCE

REPORT OF HEAD OF POLICY AND PROJECTS

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RECENT REFERENCES:

CAB2806(MP) – Local Partnerships Review 2016 – Report and Recommendations – 6 June 2016

IPG(SH)2 – Update on Agreed Response to Recommendations – 16 June 2016

EXECUTIVE SUMMARY:

Following recommendations from the Independent Review of Silver Hill report and Local Partnership's follow up review of Project and Programme Management, the Council's project management overview guidance has been revised to provide further guidance on procurement and transparency.

RECOMMENDATIONS:

That Cabinet note the revisions made to the Project Management Guidance and agree its annual review by Cabinet (Major Projects) Committee.

CABINET6 July 2016REVIEW OF PROJECT MANAGEMENT GUIDANCEREPORT OF HEAD OF POLICY AND PROJECTS1 Introduction

- 1.1 The City Council runs its major projects using the PRINCE2 methodology and within a framework designed to promote good governance and transparency within projects.
- 1.2 Following the publication of the 2016 review by Local Partnerships of the Council's approach to Project and Programme Management and the Independent Review of Silver Hill, project management guidance has been reviewed to respond to specific recommendations contained in these two reports.
- 1.3 The project management guidance has been reviewed and additional sections added on procurement and transparency to address the following recommendations:

Recommendation	Report
Consider appointing a named member as political sponsor of the highest profile / risk projects and put clear terms of reference in place.	Local Partnerships Review
The Council must consider whether and, if so, why it has been hostile to competition.	Independent Review of Silver Hill
The Council must not re-procure external advisors without involving internal specialists, and relevant Members	Independent Review of Silver Hill
A register should be kept of all external advice obtained which should be available to all Members, and the public unless a particular piece of advice is required to remain confidential	Independent Review of Silver Hill

- 1.4 The additional sections which have been inserted into the Guidance to addresses these recommendations is shown in italics in the revised version of the Guidance, attached as Appendix 1 to this report.

2 Further work

- 2.1 The Local Partnership review also suggested using a formal system of internal assurance for significant projects. At their meeting of 6 June, Cabinet (Major Projects) Committee were supportive of this system being introduced and officers are pursuing with further with Local Partnerships.

OTHER CONSIDERATIONS:

3 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 3.1 The delivery of major projects is a key part of the Council's Community Strategy, Capital Strategy and Medium Term Financial Strategy. Specific projects are also contained in Portfolio Plans. The revision of the Council's Project Management Guidance ensures that there is a standard process employed in running these areas of work, and attention is drawn to good governance issues such as procurement and transparency.

4 RESOURCE IMPLICATIONS:

- 4.1 This report has no direct resource implications. Separate provision in the budget has been made for the delivery of major projects.

5 RISK MANAGEMENT ISSUES

- 5.1 There are no direct risk management issues associated with this report, how the project management methodology requires the completion and regular review of a risk register for each project. A Programme Risk Register is also compiled and maintained by the Programme Management Group and reviewed by Cabinet (Major Projects) Committee.

BACKGROUND DOCUMENTS:

None

APPENDICES:

Appendix 1 – Project Management Guidance

Major Projects and Programme Management – Documentation and Responsibilities

Changes from previous version of guidance are shown in italics.

Background

The Policy and Projects Team is responsible for:

1. Programme and resource planning/management across the Council in liaison with the Performance Management Team
2. Identification and assessment of future major projects and benefits realisation
3. Production of a monthly Project Monitoring Report for the agreed list of major projects together with a Monthly Major Projects Programme
4. Direct management of specific projects
5. Support for other projects as agreed
6. Project management mentoring and training for staff
7. Working with Cabinet Members on Major Projects

This includes the running of the monthly Programme Management Group, Monthly meetings with relevant Cabinet Members and formal monthly reporting to the Performance Management Team

This document provides guidance for how major projects are run by Winchester City Council, and is supplemented by project documentation templates which will be used throughout the life of a project to provide good governance.

Programme Management and Monitoring

Programme management and resource planning are key components in the delivery of a programme of Major Projects.

There are different aspects to this including: monitoring of an agreed list of projects; programme delivery; capital programme strategy formulation, resource planning and identifying and assessing new projects to be added to the list.

The Head of Policy and Projects will be responsible for deploying resources to support this process both in terms of providing and drawing together monitoring information for the Performance Management Team on an agreed list of projects and to help meet capacity issues through the deployment of project managers. The Policy and Projects Team also has a role and skills in business analysis which will be used during the pre-project and feasibility stages of possible projects and to support transformational development.

With a growing capital programme and a desire to invest to save, generate income from the Estate and to secure our outcomes through major projects it is essential that the **delivery of projects** and of the **capital programme** is effectively managed and resourced accordingly. The Assistant Director for Policy and Planning will formulate the annual Capital Strategy to support this process.

The '**Programme Management Group**' which replaced the capital programme group (see Appendix 2 for the terms of reference and membership) consists of key programme and project managers, legal, financial, IT and other appropriate staff as required. This Group agrees the allocating of resources and funds as required if priorities change or if projects have to be delayed or brought forward. The Group also oversees the Major Projects Budget (which is held by the Policy and Projects team) and is used to enable external resources to be procured if required to help deliver existing schemes and to enable **feasibility work** for potential new projects.

Agreeing a list of Major Projects

The **definition of a major project** used to draw up the list of major projects is '**a project which will be significant in its potential impacts to the authority either in financial, political or practical operational terms**'.

Projects are categorised in terms of the stage they have reached ie: **Pre-project Stage; Feasibility Stage; Approved /In Progress** and **Substantially Completed**.

Pre-projects are essentially an idea or aspiration which has not been subject to any formal feasibility work and therefore not on the list of Major Projects, which is reviewed by PMT. In order to get onto the list, authorisation will be required by PMT and then Leaders Board. This authorisation should be sought at the stage when work is required to determine whether the project is feasible. *A report to Cabinet may also be necessary along with the Project Initiation Document.*

A form setting out the required information to enable PMT to **assess pre-projects for inclusion on the list as attached at Appendix 1**. This includes quantitative and qualitative aspects, the resource requirements needed to deliver the feasibility work and the potential benefits and outcomes which the resulting project will deliver.

The process of identifying and agreeing new projects to deliver the Council's objectives is important and will need to identify, at an early stage, the specific resource requirements of the project including project management requirements, administrative, research, legal, IT or financial and how these will be provided.

The cost of providing any required external resources will need to be identified and included in the overall project cost.

The benefits from the project will need to be set out and quantified if possible. Projections of additional revenue costs, staff resources or predicted income generation must also be set out. In some cases income targets might be considered.

Resource Planning

An important aspect to programme management is **resource planning**.

This has to acknowledge that some major projects are interdependent in terms of their delivery and resource requirements and that this will need to be managed in terms of **prioritisation of internal resources** or through the provision of external resources. These resource requirements must be identified and quantified as early as possible.

The identification of **interdependent projects** which impact on staff resources in terms of what's needed, when and by whom is a critical part of the process. This will help to identify periods of potential overload for services such as **finance, IT and legal**. This can then be considered in terms of how this can be overcome and the associated costs identified.

Project management mentoring

Part of the role of the Major Projects Team will be to help staff and the organisation to benefit from lessons learnt from others. In some instances such lessons are not passed onto others and this transferable learning is lost.

The principles of project management can also be used on a variety of projects and service provision such as identifying timescales, resource requirements and outputs and it is intended to promote these principles widely to staff. Guidance on project management, including how to approve and set up a new project is available.

Training opportunities will also be identified and promoted to staff.

Working with Cabinet Members

***Member Champions** will be appointed for each of the Council's most high profile major projects. This role will work most closely with the officer Sponsor role and is responsible for providing the vision and direction for the project, as well as publicly advocating for the project and providing a focus for accountability.*

Monthly meetings take place with the Leader and other Member Champions to discuss major projects and overall programme management issues and to then report any concerns to PMT.

This provides political input and is an opportunity to explain in detail the stages reached by projects, progress or delays and to discuss the benefits of new projects and their relative merits for inclusion on the major projects list.

Business Cases

Business Cases are required for all Major Projects and templates are available to support this. The City Council uses the **Green Book's 5 Case model** to guide the business case process. All business cases will consider the strategic case, economic case, commercial case, financial case and management case.

Significant projects will require a Strategic Outline Case, an Outline Business Case once options for delivery have been narrowed down and then a Full Business Case to commence the project following any procurement.

Project Managers are trained to use the 5 Case model and can provide support to those developing business cases in other teams.

Project Roles and Responsibilities

Once PMT has agreed a new Project a Project Manager will be appointed and as part of the project initiation processes other appropriate roles and responsibilities will be agreed. **In some cases and/or at certain stages of a project a specialist Project Manager will be required.** This will be identified as part of the project planning process and resourced according.

All Council Project Managers are trained in PRINCE2 methodology. Project managers are also trained in Business Case preparation.

Depending upon the nature of the project it may be appropriate to set up a Project Board and a Project Team. In all cases a Project Sponsor will be appointed.

Separate more detailed guidance is available on this as part of the Project documentation templates.

Project Documentation

A full set of project documents are available. These follow PRINCE2 methodology.

This includes roles and responsibilities, Project Initiation Documentation, Risk Registers and Communications Plan.

Two flow charts at the end of this document sets out the Project Authorisation Procesflow as well as the required documentation for a project.

The Policy and Projects pages on SharePoint include all the templates for the Project documentation.

A key document in all projects is the Project Plan. A template is available for this. The nature and detail of the plan will vary depending upon the type and complexity of the project. This must be agreed by the Project Team and Project Sponsor. It is the responsibility of the Project Manager to keep this up to date and to seek approval as it changes and is modified throughout the project.

Transparency

Throughout the life of a project, thought must be given to ensuring the utmost transparency where this is possible. Project Managers, in conjunction with the Corporate Communications team, will ensure that the Council's website is kept up to date with the latest available updates on the project, as well as with clear information on what decisions have already been taken.

As part of the Council's commitment to transparency with its major projects, all relevant technical studies will be published online as agreed by the Project Board and all exempt reports relating to a project will be published 12 months after production

unless the information definitely needs to be kept exempt, supported by legal advice. It is the responsibility of the project manager to ensure this process is followed.

Consultation and Engagement

[This will cross reference with the Major Projects Engagement Strategy once approved in September.]

Procurement

*Projects managers are responsible for ensuring that all procurement that takes place as part of the project is **compliant with the Council's Financial, Contract and Other Procedure Rules, as well as all relevant EC directives and UK legislation.** Guidance is available via the Procurement Guide for Employees [add link].*

As required by the Local Government Transparency Code 2014, all contracts let over £5,000 must be listed on the South East Business Portal. In addition, any contracts valued at over £25,000 must be advertised via Contract Finder. Where three quotes are obtained in order to procure a service under the tender threshold, project minutes must document the process that was applied to ensure transparency.

This will include all relevant technical studies, external legal advice, financial advice and appointment of consultants.

*In addition to thresholds set out in the Council's Financial, Contract and Other Procedure **Rules any external financial or legal advice to be procured in respect of projects to which this Guidance applies, where the estimated cost is above £10,000, must first have written authorisation by the relevant Portfolio Holder (or Member Champion where appointed).** A register of all external advice that falls into this category will be published on the Council's website under the Major Projects section. This will comprise the firm engaged to provide the advice, value of the contract and advice given where available as part of a committee report (see above for restrictions on exempt advice and its publication after 12 months).*

Appendix 1 - Pre-Project information for approval of feasibility work

Project:	
Author:	
Document Ref:	C00 - Pre project mandate
Version No:	

Revision History

Revision	Revision Date	Summary of Change	Distribution

Purpose

The information in the Pre project mandate is used to obtain authority to move to the Major Projects feasibility stage. It should contain sufficient information to identify at least the projected benefits and issues for the project as well as the scope of a feasibility study.

Once your Pre project Mandate Document is completed check the document against the following Quality Criteria:

- Is there sufficient detail to identify the requirements for the feasibility study?
- Are all the known benefits and issues identified?
- Does the Pre Project Mandate describe what is required?

1.0	Name of Project	
2.0	Scope of Project <i>What do you want to deliver? Does it depend on something else – if so what?</i>	
3.0	Need for Project <i>Why is the project necessary?</i>	
4.0	Benefits and Issues <i>List the benefits that will be achieved and the issues that will be addressed.</i>	
5.0	Feasibility work required <i>Set out which team(s) will be required to input and when. Quantify if possible the input required. Try to identify future impact on other teams. Please include costs as well as staff resources</i>	
6.0	Budget <i>Please state where the funding may be obtained for the project e.g. grants, capital programme</i>	

Appendix 2**WINCHESTER CITY COUNCIL
PROGRAMME MANAGEMENT GROUP****TERMS OF REFERENCE**

1. To identify and manage resource issues in the delivery of major schemes, procurement and capital programme delivery
2. To produce a capital strategy for approval by PMT and Cabinet and update this on an annual basis.
3. To formulate the annual capital programme and to keep the capital programme and delivery under review.
4. To consider issues of priority, resources and funding for major schemes and capital programme schemes and to report any significant issues to PMT.
5. To manage the 'Scheme Feasibility Budget' to support required feasibility work and scheme progression.
6. To monitor progress on the capital programme and produce quarterly monitoring reports for PMT and Cabinet.
7. To review the Programme Risk Register on a monthly basis and escalate any risk to PMT where required.
8. To consider new projects and their deliverability as part of the annual programme review. This will be undertaken in conjunction with the major projects list approved and monitored by PMT.
9. To keep under review the methodology that is used to assess and categorise new projects and to identify criteria to be taken into account.
10. To explore and optimise new funding sources for projects.
11. To receive project post implementation reviews to make sure that the identified benefits are achieved.

Current Membership

Assistant Director Policy and Planning – A Hickman (Chair)

Corporate Director (Service Delivery) – S Tilbury

Head of Finance or nominee – S Little

Assistant Director (Chief Housing Officer) – R Botham

Assistant Director (Estates and Regeneration) – K Warren

Head of IM&T – T Fawcett

Head of Legal and Democratic Services – H Bone

Head of New Homes Delivery - A Palmer.

Head of Corporate Communications - Martin O'Neill

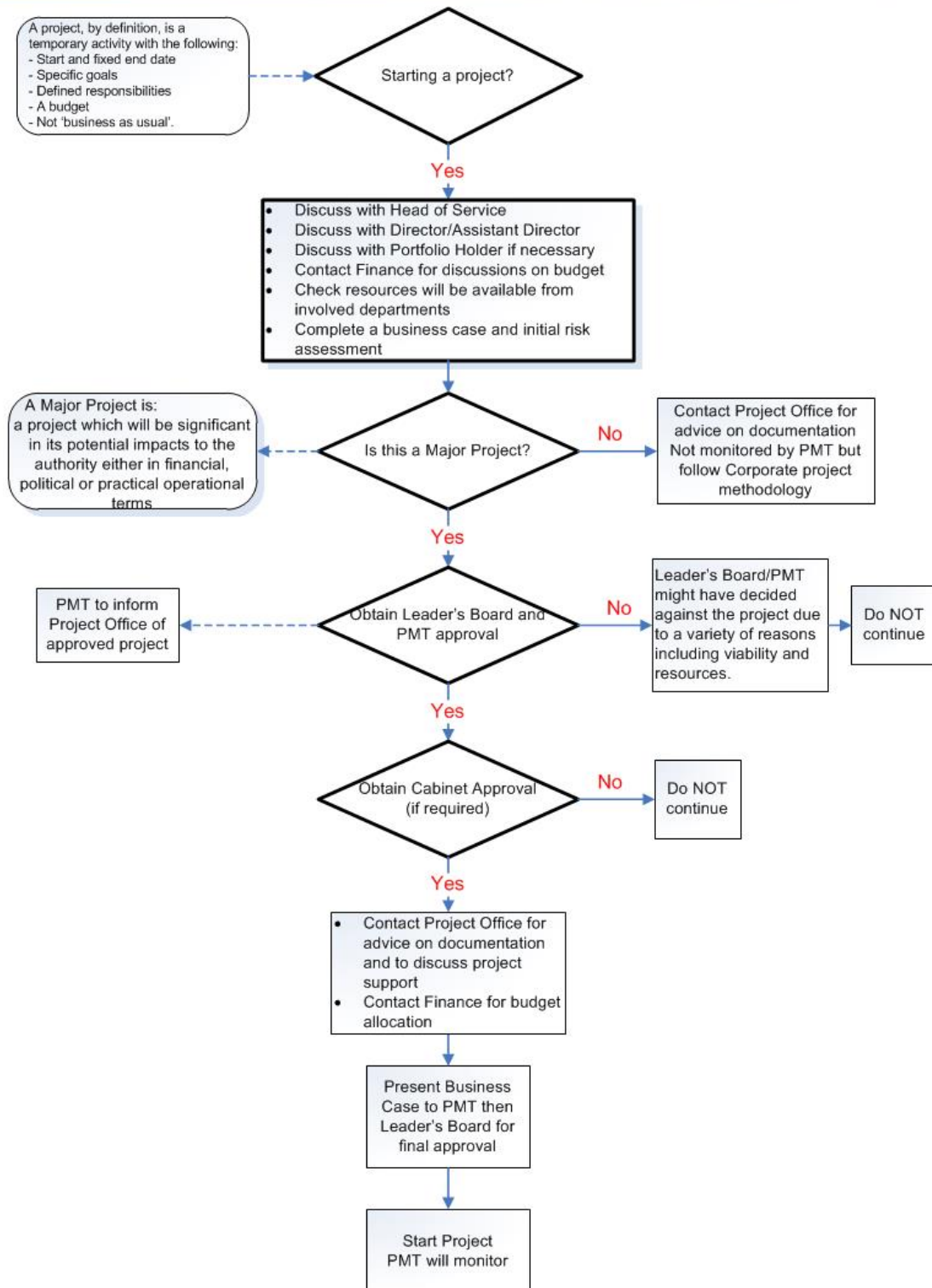
Method of Working

Monthly meetings as required.

Monthly Monitoring Reports

Circulation of relevant papers.
Reports to CMT/PMT and Cabinet.

Project Authorisation Process



Project Management Process Guide

