



ADUR & WORTHING
COUNCILS

Joint Governance Committee
25 September 2018
Agenda Item 7

Ward(s) Affected: n/a

Response to Project Management Audit

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1 To provide committee with an overview of the corporate Project Management approach being adopted across key council services
- 1.2 To provide Committee with an update on implementation of recommendations following the audit into Project Management across the councils.

2. Recommendations

- 2.1 The committee is asked to note the progress made in the implementation of project management practices that provide strong governance arrangements and support services in delivering successful project outcomes.

3. Context

- 3.1 Projects are temporary pieces of work, with a beginning and an end, a defined scope and resources. They are unique rather than a routine operation, designed to deliver a defined outcome.
- 3.2 Project management is the application of knowledge, skills, tools and techniques to meet the needs of project in delivering its requirements.
- 3.3 The Councils deliver a vast range of projects across services ranging from office moves, implementation of Digital solutions and systems, improvements to our property and built assets to major, multi million pound redevelopment projects. The council needs an effective project management methodology and framework that can be adapted depending on the scale and nature of the project work.
- 3.4 In 2016 an audit was undertaken of the council's project management procedures and controls. This report provides an update on progress made against the audit recommendations and provides an overview of the corporate project governance framework.

4. Project Management Audit

- 4.1 The audit into project management practice across the councils concluded that there was limited assurance; stating there were: *Weaknesses in the system of internal controls which were such as to put the council's objectives at risk.*
- 4.2 Since the completion of the audit significant work has been completed to address the recommendations as set out in this report. The progress on each of the recommendations is set out in Table 1 below.
- 4.3 A project management peer review was facilitated in December 2017 bringing together officers from across the organisation who are involved in project management activities. The session was followed up in February 2018. The output from the session formed a framework to further develop the corporate project management approach. Improvement activities had been undertaken during 2017 in several areas, and the peer review process identified good practice with a view to creating a corporate approach.

- 4.4 A working group was established to take forward the work. The working group has representation from Digital, Technical Services (including capital programme work) and Major Projects as these are the services within which most of the large scale projects are delivered.

<u>Audit Recommendation</u>	<u>Outcomes</u>
Project Management Policies, Strategies and Procedures	
<p>1. That a Project Management Strategy should be developed. The Strategy should set out what the Councils do in respect of Project Management, why and what their objectives are. - Priority 1</p>	<p>Partially complete A project management peer review took place in December 2017 with key stakeholders to explore project management challenges across the organisation, with a follow up in February 2018. The outputs from the review led to the establishment of a corporate Project Management Steering Group, which was established by the Director for Digital and Resources. The group includes representation from services which deliver a significant number of high profile projects including the Digital Team, Technical Services and the Major Projects Team.</p> <p>The team has been working on developing a corporate project management approach including governance and practical project management tools which are being deployed corporately. Housing services are to join.</p>
<p>2. The Councils should determine and document at what scheme level they would expect the formal project management framework methodology to be used for capital projects and this expectation should be clearly communicated to staff. - Priority 2</p>	<p>Partially complete A project management framework has been formulated based on the approach adopted by the Digital Team. This is being rolled out across the Major Projects Team and Technical Services and will be embedded by the end of the calendar year.</p> <p>Earlier this year the Technical Services team received external specialist advice on their approach to project management and the expectations and requirements of internal clients and how this can be improved. These improvements will be rolled out as part of the service redesign at the end of the calendar year.</p> <p>A further peer review on major projects and property investment took place in Sept 2018 to identify specific practices and needs relating to these areas that should be accommodated in the corporate approach.</p>
<p>3. Non-capital scheme projects should be evaluated, progressed and processed using standardised documentation (which includes tendering information, PID, evaluation, project checklist, risk assessment etc).</p>	<p>The approach for non capital projects reflects the approach for capital projects as the principles are the same.</p> <p>Service redesigns are successfully being delivered through the 'Same Room' methodology of customer centred service design. This approach has successfully been used in a number of projects including Tackling Homelessness, Adur Repairs, AWES transformation and is being used to shape</p>

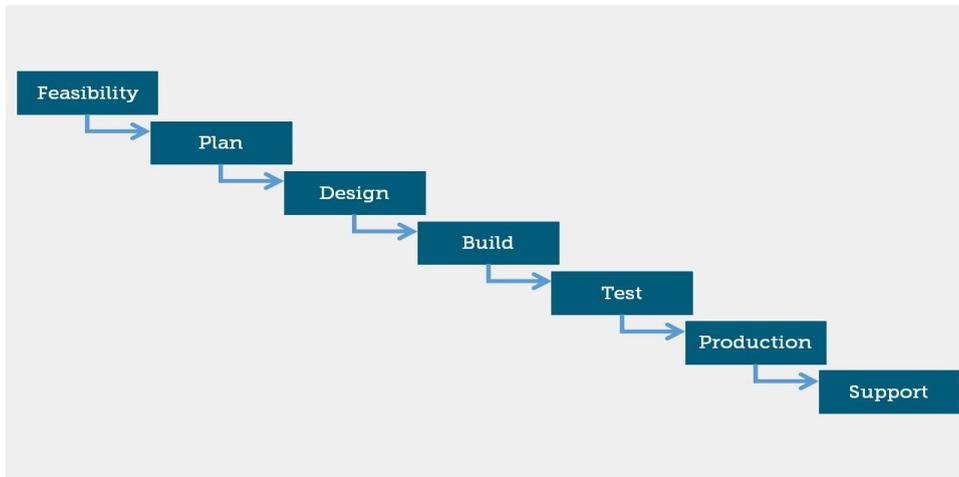
<p>The requirement should be documented within any project management guidance. - Priority 2</p>	<p>the Revenues and Benefits service redesign.</p> <p>Development of digital applications is being delivered using an agile project methodology which is proving to be very successful in producing, testing and rolling new applications out within weeks.</p>
<p>Financial Regulations</p>	
<p>1. Consideration should be given to including Project Management requirements in the Councils' Financial Regulations. - Priority 2</p>	<p>The financial regulations are currently being re-written and new guidance regarding Project Management will be included in the revised regulations.</p>
<p>2. The Councils should have clear and consistent processes in place to ensure effective project management and enable the achievement of projects, including the following:-</p> <ul style="list-style-type: none"> - Ensuring that there is a justification for exploring the planning and assessment of a new project opportunity; - Ensuring that there are processes in place to confirm that the project is achievable, affordable, deliverable and will actually deliver the intended outcomes; - Ensuring that there are processes in place to confirm that as the project is implemented, the benefits are realised within the timescales and costs that were originally planned and that slippage can be identified; and - Ensuring that projects are actually finished and closed off and the achievement of outcomes is validated. - Priority 2 	<p>Complete</p> <p>A project management framework has been agreed by the Change Board based on work done within the Digital Team.</p> <p>The framework consists of three phases:</p> <p>Project Start Up: The Project Start-Up phase has the purpose of surfacing ideas and/or needs (proposed projects) and ensuring they align strategically and carry potential benefits that are measurable. Once the idea/need is endorsed, further resource is allocated to form a business case which present the options for delivery and defines resources and costs for the recommended option. The business case is and approved (if viable) by the relevant authority. In this phase the project is given the relevant funding and prioritised, which defines when the project should start and/or whether other projects should stop to accommodate a new project.</p> <p>Project Delivery: The Delivery phase is where activities take place to deliver the requirements. The approach to delivery is likely to differ, dependent on the nature, scope, and size of the project. Flexibility exists in delivery i.e. different methodologies may be adopted to meet the needs of the project, which may include Agile for software development projects or Waterfall where the scope is clearly defined and cannot alter. Within Delivery, the project manager and their team will apply various controls to ensure activities remain on track, the projects' benefits are still applicable, risks are reviewed regularly, and stakeholders are kept informed of progress.</p> <p>Project Closure: The Closure phase has the purpose of ensuring the project has delivered against the expectations that were set out in the business case. It ensures all products are complete and have move to operation or a usable and supportable status, reviews the performance of the project, reviews the benefits and closes down project controls.</p> <p>Whilst flexibility exists in the approach to delivery, there are 7 principles that underpin project management in the Council's, which must be adhered to:</p>

	<p>1). Continued Business Justification 2). Defined Roles & Responsibilities 3). Manage By Stages 4). Manage By Exception 5). Focus On Products 6). Tailor The Project 7). Lessons Learnt</p> <p>Digital Project Lifecycle: Click here</p>
Application of Principles to Individual Projects	
<p>1. A PID should be fully completed and approved for all projects in line with the Project Management Guiding Principles requirements. - Priority 2</p>	<p>Complete: A PID document has been produced as part of the project management framework and is being rolled out across project areas</p>
<p>2. For each project the roles and accountabilities for the project (eg designated project manager) should be clearly identified and documented. - Priority 2</p>	<p>Complete: As part of the PID project roles and responsibilities are identified.</p>
<p>3. Each project should be subject to risk identification, assessment and management.</p> <p>Key risks should be documented within the relevant service risk register in order that formal management and monitoring can occur. - Priority 1</p>	<p>Complete The project management framework and documentation identifies project risks.</p>

5. Project Management Methodologies

- 5.1 The councils draw on different project management methodologies depending on the nature of the work.
- 5.2 *Waterfall methodology* is the most widely understood project management approach represented in the diagram below. A project scope is clearly defined and the project goes through a series of consecutive stages through to completion. Within the councils this is the most widely used approach,

particularly for capital projects delivered by Major Projects and Technical Services.



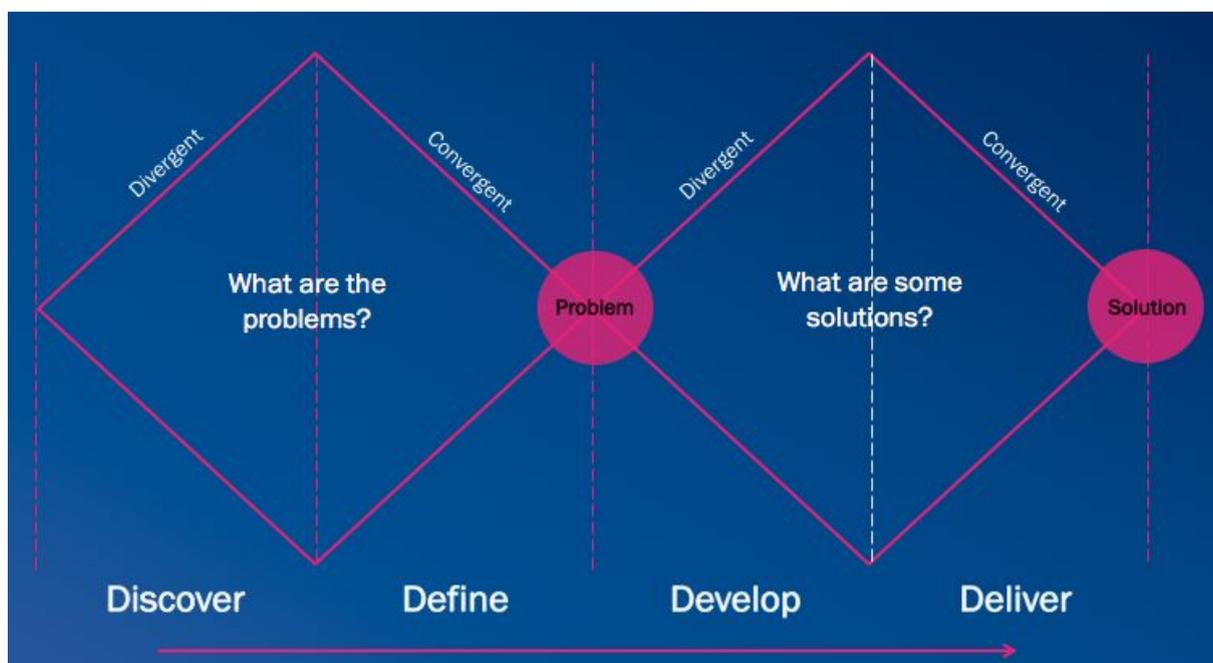
5.3 *Agile project management* is effectively used in the development of software applications by the Digital team. It is an iterative approach which allows the team to quickly identify the needs of services, build and test applications. Using this approach the team developed self service options for the waste service, informed by customer engagement, in a matter of weeks. Agile working is by definition light on project documentation given the rapid speed of review and delivery, progress is tracked through daily meetings and activity boards in the work environment.



5.4 *Same Room service redesign* is a customer centred methodology that has been developed within the councils over the last two years and has successfully delivered improvements in the following project areas:

- Adur Repairs,
- Managing homelessness
- AWES redesign

5.5 It is also being used in the Revenues and Benefits Service Redesign currently underway. *Same Room* provides a methodology for redesigning whole services bringing together people who use and provide services to solve complex challenges. It is based on the double diamond model below, where the first phase of work focuses on identifying what the problem is (and not jumping to conclusions before engaging with service users) and the second phase focuses on delivery of solutions.



5.6 The methodologies outlined above are not used in isolation. For example within a *Same Room* project there may be pieces of work that are managed in an agile way, and within a waterfall project there may also be a digital development piece of work managed through agile.

6. Project Governance

6.1 The Change Board has agreed a high level project delivery process which has been developed within the Digital Service and is being embedded across Technical Services and Major Projects. The process (Appendix 2) covers waterfall and Same Room projects. Agile digital development work generally sits within a Same Room or waterfall project.

6.2 The approach consists of three phases:

- *Project Start Up* which includes defining the idea or need, an initial assessment by the relevant working group (eg Service Redesign Group or Capital Working Group) followed by the development of PID to set out the business case. The PID is submitted to the relevant Board for sign off (eg Change Board, Major Projects Board, Information Governance & Technology Board).
- *Project Delivery* which includes a kick off meeting, agreeing detailed project governance, detailed discovery to identify the most important deliverables prior to moving to the create and delivery phase.
- *Project Closure* consists of handover of product(s), review and evaluation followed by an update of project controls.

6.3 The Councils have a number of decision making working groups and boards with responsibility for project governance. The decision making pathways for the three main project areas are summarised in Table 2 below.

Project Type	Governance
Digital project or project which is digitally enabled, eg software or hardware replacement or digitally enabled service redesign	Projects are managed within the digital team. Project PIDs are evaluated by the Service Redesign Group (SRG) and project progress monitored through this group. Recommendations from SRG relating to technology and information decisions are taken to the Technology & Information Board for approval.
Capital projects eg reprovision of play areas, capital improvement works to council buildings and assets	Capital projects are managed by technical specialists in the organisation including Technical Services, the Major Projects Team and the Digital Team. Project PIDs are completed by each project manager prior to projects commencing, and post scheme evaluations are undertaken by the Capital Working Group and monitored by

	<p>relevant client as necessary.</p> <p>Monthly internal meetings are held by the Head of Technical Services with other relevant Heads of Service to discuss project progress and updates for client departments (eg : Adur Homes Major Works Programme, Play areas, Crematorium and Cemetery works, Car Parks etc.</p> <p>There is an internal working group (Capital Working Group) which monitors progress against the overall capital programmes during the year, undertakes post scheme evaluations and improves the development of the capital programme.</p> <p>Capital Programme reported to JSC on a quarterly basis</p>
<p>Major Projects - large scale economic regeneration projects</p>	<p>The management of large scale regeneration projects now benefits from the establishment of a Major Projects Team, which includes sector specialists. Progress on such projects is overseen by a Major Projects Board for each council. The partnership working with other organisations who offer project management expertise and experience is helping to realise our objectives for a series of major development sites.</p>

7. Conclusions & Recommendations

7.1 The councils manage and deliver a vast range of projects across service areas. The 2016 audit identified areas where improvement in project management practice was required. The audit recommendations have been actioned and and continual progress is being made through the project management steering group.

8. Financial Implications

8.1 There are no financial implications arising from the proposals contained within this report.

9. Legal Implications

9.1 There are no legal implications arising from the proposals contained within the report.

Background Papers

None.

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Sustainability & Risk Assessment

1. Economic

- Effective project management of major regeneration projects is critical to driving the economic growth of our towns, and increasing inward investment, and destination

2. Social

2.1 Social Value

- Our procurement strategy seeks to ensure social value is delivered through contracts, including creation of jobs

2.2 Equality Issues

- Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

- Matter considered and no issues identified

2.4 Human Rights Issues

- Matter considered and no issues identified

3. Environmental

- Effective procurement and contract management will safeguard the environment through appropriate project controls and risk management

4. Governance

- The report summarises the project management governance framework within the councils. The framework ensures projects are aligned to the Councils priorities and that risks are managed.

Project Delivery Process – Version: Draft 0.4

Authors: Keziah Chandler & Rob Wood

M Mandatory
T Tailor to suit the project
R Recommended
I Iterative Task

Project Start Up

Discovery, Business Justification and Approval

1 M
What is the idea or need?

- Complete the 'Idea or Need Form'**
- What is the idea or need?
 - What are the expected benefits?
 - What is the expected cost & effort?
 - How does the idea align strategically?
 - Will SameRoom enhance the outcomes?



2 M
Idea/Need Assessment
 Warrants resource to form a full business case?

Reject | Endorse | More Info

- Idea or need pitched to relevant Board to:**
- Confirm strategic alignment
 - Confirm viability and benefits
 - Confirm the priority scoring
 - Confirm it warrants further resource
 - Assign a PM to form a business case

3 M
Business Case (BC)
 For assessment and approval from the appropriate Board

- Complete PID Part 1 (Business Case):**
- Provides justification (benefits / ROI)
 - Defines the expected outcomes
 - Provides options and costs
 - Justifies the priority rating / urgency

4 M
Board Approval
 Approval, allocation of funds, confirms priority & timing

Approval Authorities		
Change	SRB	SRG

Reject | Approve | More Info

- BC Pitched to the appropriate Board to:**
- Get approval for the project & approach
 - Release the funds needed for delivery
 - Confirm the priority rating
 - Confirm when the project will start
 - Defines projects to stop; enabling this to start
 - Defines 'broad' position on programme GANTT

5 M
Prepare the Project
 Getting ready for delivery

- Complete PID Part 2 (Preparation):**
- Secure funding (ready to use)
 - Define project team & stakeholders
 - Complete DPIA assessment for GDPR
 - Prepare RAID for risk & issue mgmt.
 - Prepare Highlight Report
 - Define project stages & tolerances

END OF STAGE: DELIVERY NEXT

Delivering a Project

Management Stage(s): No. defined in the PID

6 R
Project Kick-Off Meeting
 Setting the scene for delivery

- Sets the scene for delivery for the team
- Outlines expected outcomes for the team
- Sets team 'broad' roles & responsibilities
- Outlines the approach
- Sets the organisational context

7 M
Controlling the Stage(s)

Manage Risks Identify, Assess, Plan, Implement	Manage Issues Identify, Assess, Prioritise, Escalate	Manage Progress Communicate, update plans, authorise work
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RAID & Highlight Reports
 NB. Ongoing through delivery until the project closes

8 T
Detailed Discovery
 What will deliver the best outcomes?

- Focuses on customer needs & concerns
- Identifies the most important deliverables
- Enables planning (time & resource)
- Set the priorities for development
- Task allocation & responsibilities
- Defines the minimum viable product
- Locks down the scope

9 M
Create Products
 Creating capabilities to serve the outcomes

- Building tangible products
- Supplier engagement / delivery
- Apply quality requirements
- Building & testing with stakeholders
- Iterative development
- Deliver the minimum viable product
- Define how the products will be supported

10 M
Delivery of Products
 Moving products into operation

- Service Description Document (SDD)
- Training service area on the product
- Stakeholder feedback
- Promoting / communicating
- User testing
- Preparing transition to support (BAU)

END OF STAGE: CLOSURE NEXT

Closing a Project

Acceptance, Support, Performance, Benefits, Residual Issues & Risks

11 M
Hand over Products
 Products are accepted and moved into operations

- Confirm products have been created
- Get acceptance / sign-off from the sponsor
- Service Description Document (SDD) finalised
- Ensure Digital are ready to support products
- Communicate product readiness (go-live)
- Communicate residual issues to Digital (BAU)

12 M
Review the expected outcomes
 Have the objectives been achieved?

- Update PID (Part 3) to:**
- Confirm outcomes have been achieved
 - Confirm all products have been created
 - Review quality & success criteria
 - Review success criteria

13 M
Project Evaluation
 Review performance, benefits, lessons learnt

- Update PID (Part 3) to:**
- Define closure reasons
 - Report performance & successes
 - Report residual issues & risks
 - Recommendations
 - Report on benefits (when & by whom)
 - Report on lessons

14 M
Update Project Controls
 Assigning residual tasks and preparing to close

- Update Project plan
- Update Risk Register
- Update Issues Register
- Update Daily Log
- Assign residual issues to BAU support

15 M
Approval to Close
 Project Board and/or sponsor(s) to authorise

- Close RAID
- Move project files to 'complete'
- Preserve SDD
- Communicate Closure

END OF PROJECT