



Report of the Director of Corporate Services

Executive Board

Date: 4th April 2007

Subject: Delivering Successful Change and Business Change Governance

Electoral Wards Affected:

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

Executive Summary

1. Delivering Successful Change (DSC) is the corporate project developing a consistent approach to project and programme management for implementation across the Council. This was initiated to address a lack of consistency identified in the way projects and programmes were initiated, justified, managed, and overseen across Council departments in order to increase the likelihood of projects delivering their objectives successfully
2. DSC formally launched the Council's first corporate Project Management Framework on 8 March 2007. The Project is now developing a range of other initiatives which seek to enhance our business change arrangements, including work related to increased consistency in project and programme governance, a programme management methodology and key HR issues, such as training and competencies.
3. This report seeks Executive Board's approval for the Corporate Project Management Framework and the 'Policy on the Governance of Council Business Change Programmes and Projects'.

1.0 Purpose Of This Report

- 1.1 This report provides an overview for Executive Board of progress made by the 'Delivering Successful Change' (DSC) project in developing a more consistent corporate approach to the management of the Council's major projects and programmes. It also seeks approval for a 'Policy on the Governance of Council Business Change Programmes and Projects' to ensure there is an appropriate context in which to develop more detailed arrangements.

2.0 Background Information

- 2.1 DSC originated in a report to Corporate Management Team (CMT) in May 2004 entitled 'Development of a Consistent Corporate Approach to Project and Programme Management'. This report highlighted a lack of consistency in the way projects and programmes are initiated, justified, managed, and overseen across Council departments and noted that this reduced the likelihood of projects delivering their objectives successfully. To address this, a working group was tasked with developing:
- criteria for defining the scale of projects or those with a potential impact on the successful delivery of corporate objectives;
 - a generic, scalable corporate project management methodology;
 - a consistent and structured approach to the management, oversight, assurance and implementation of all Council projects/programmes;
 - a systematic approach to employee specifications, training and development of staff involved in project management and delivery to ensure they have the required skills.
- 2.2 In August 2005, this initiative was transformed into a formal project, 'Delivering Success Change' (DSC). Throughout the project's evolution, progress reports have been provided to CMT and Corporate Governance and Audit Committee by the Director of Corporate Services. Senior management has also participated in two one-day workshops – 21 March 2006 and 26 June 2006 - which evaluated detailed proposals from DSC and developed these further.

3.0 Main Issues

Project Management Approach

- 3.1 In mid-December 2006, the DSC project issued its first major products in the shape of a generic and scalable corporate project management approach for use by all project boards, project managers and teams. This package includes the following elements:
- a Project Management Handbook setting-out a generic, scalable corporate *project management methodology* able to be used in all forms of projects (see Appendix 1);
 - a set of standard project management *document templates*, incorporating guidance, for use at each stage of the project lifecycle;
 - a *project review process* setting-out requirements for fulfilling and proceeding through each stage in the project lifecycle which is sufficiently generic to allow for differences within construction projects, ICT projects, PFI schemes etc (see Appendix 2);
 - a *self-assessment checklist* for project boards to ensure they are appropriately constituted and governed;
 - a *project impact assessment scorecard* to measure the degree of governance and project management rigour appropriate for a project (see Appendix 3).

Implementation Approach

- 3.2 The new approach was subject to an initial 'soft launch' beginning in December 2006 which provided an opportunity for users to trial the new framework for a limited period on a non-mandatory basis and then provide feedback to the project for potential refinement of the approach. The Project Board Executive and the Project Manager also undertook a process of formal engagement with DMTs throughout January-February 2007 to publicise the new approach, obtain feedback, and encourage its utilisation. Corporate Governance and Audit Committee provided comments on the detail of the Handbook, particularly on the role of members, and these have been factored into the latest version.
- 3.3 Following this process of engagement, the revised approach was formally launched at a high-profile event on 8 March 2007. DSC considers that the approach should now be deemed mandatory for all projects, albeit on a proportionate basis, and that this corporate framework should have primacy over any local arrangements. Executive Board's support is sought for these principles which are included in the draft '*Policy on the Governance of Council Business Change Programmes and Projects*' (see Appendix 4).

HR Issues (Training and Competences)

- 3.4 To underpin the roll-out and embedding of a consistent corporate approach, a report on related *human resource* issues relating to project management has just been completed. This made proposals in relation to the need for:
- a clear competency framework for a range of identified project management roles;
 - a series of generic job descriptions and employee specifications based upon standard grades for use by departments in creating new posts which builds on the competencies;
 - a range of training options to deliver the needs of project management staff and Board members to enable them to do their jobs effectively. A strategy for taking this forward was approved by the Project Board in March and will be implemented shortly.

Embedding the Corporate Approach

- 3.5 The Handbook and related products will help address many project management needs from a *bottom-up* approach and will therefore primarily benefit project teams. However, it is essential to embed this work also from the *top-down*. To enable this to occur, there needs to be a clearly-stated, overarching set of key principles setting-out what is deemed to constitute effective project management and governance within the Council. To this end, DSC has developed a '*Policy on the Governance of Council Business Change Programmes and Projects*' (see Appendix 4) - which has been reviewed by CMT and Corporate Governance and Audit Committee throughout its evolution - for the approval of Executive Board.
- 3.6 The Policy contains a number of important key principles for approval. Firstly, it seeks endorsement for the principle that the Council operates a '*portfolio management*' approach (in accordance with Office of Government Commerce best practice) under which the Council would gradually re-organise major business change projects with related outcomes into discrete *programmes* of work which collectively constitute the *Business Change Portfolio*.
- 3.7 There are a number of 'programmes' already in existence, but these have often been organised on the basis of their source of funding or the involvement of technology rather than a common outcome like 'housing regeneration'. This has led to inconsistency across departments and misapprehensions about what is implied by a programme. In line with industry best practice, DSC considers that programmes should be focussed on an overarching desired *outcome* and ensure that projects contributing various elements to this (i.e. business change, ICT and construction) are included within these. This will necessitate a gradual change and is dependent on agreeing the organising principle for a programme,

i.e. should these be grouped on the basis of Corporate Plan priorities or other major outcomes like 'housing regeneration' ?

- 3.8 Secondly, it is essential that an agreed approach to project management should be *mandatory* rather than something officers choose to adopt or ignore as they see fit. The DSC Project Management Framework has been developed in conjunction with officers from across the Council in order to be flexible and scaleable to meet the needs of all potential users. It is accepted that specific services may need to *supplement* the approach to meet specific local needs, but the corporate approach should retain primacy.
- 3.9 Thirdly, there needs to be a clear process setting-out the key stages through which evolving projects and programmes are evaluated, reviewed and approved from inception to closure and this is now provided by the Leeds Project Review (Gateway) Process. Once again, it is accepted that the needs of specific disciplines or areas of work may necessitate this approach being supplemented by more detailed processes, but any additional local arrangements or decision-making arrangements need to conform to the broader corporate approach.
- 3.10 Finally, training packages need to be developed and implemented to provide project staff and decision-makers with the knowledge and skills to be able to undertake their responsibilities effectively (see 3.4 above).

Next Steps

- 3.11 Although DSC is engaged in rolling-out the project management approach, work continues on developing several initiatives to embed more consistent practices from the 'top-down'.
- 3.12 Firstly, in conjunction with Corporate Governance Officer Group, DSC is reviewing the range of project management governance arrangements currently in place for specific forms of project in order to map their detail and determine how these can be made more consistent and clearly-aligned with the Project Review (Gateways) Process. This will ensure that appropriate decision-makers are identified for the requisite reviews at each stage on a consistent basis and that there is appropriate independent challenge in place. This will also take account of changes being made as part of the Council Change Programme.
- 3.13 Secondly, DSC is now beginning to develop the building blocks for a consistent approach to *programme management* across the Council. This will involve creating a programme management methodology and framework based upon the OGC's 'Managing Successful Programmes' guidance to set-out: the key roles and responsibilities; the requisite governance arrangements; and how these inter-relate with component projects. It is proposed to trial this work with Children's Services (DCS) shortly.
- 3.14 Thirdly, together with Executive Support, we are exploring the possible creation of a small corporate *Portfolio and Programme Support Office* from existing project resources as part of the Council Change Programme. The purpose of this office would be to:
- maintain the corporate approach to project management and governance;
 - develop and maintain an up-to-date picture of the composition of the Council's business change portfolio and the programmes and projects contained within it;
 - provide management information for CMT and Executive Board on how the portfolio should evolve and the allocation of resources needed to deliver corporate priorities.

This function is not envisaged as the sole project support function for the whole authority, but rather as a small entity supported by departmentally-based Project Support Offices. Much of the suggested PPSO's work could be facilitated by implementing programme/project resource management software. This would enable there to be a single database of major projects and programmes and an understanding of the resources being utilised to deliver these and how these might be potentially redeployed for the optimal achievement of overall corporate priorities.

4.0 Implications For Council Policy And Governance

- 4.1 The report calls for the approval of a '*Policy on the Governance of Council Business Change Programmes and Projects*' which lays down a set of overarching principles for effective programme and project management and governance within the Council. This will be complemented shortly by further work by Corporate Governance Officer Group on aligning identified decision-makers for the key stages of the Leeds Project Review Process for all types of project. This will also take account of changes being made as part of the Council Change Programme.
- 4.2 It is proposed that Corporate Governance and Audit Committee continues to receive update reports on DSC's progress in order to provide member input into the evolving framework and help fulfil its responsibility for monitoring compliance with the Council's internal control environment.

5.0 Legal And Resource Implications

- 5.1 Following the departure of partially-seconded staff, the project is now reduced to one full-time member of staff and limited additional resource loaned from within Audit & Risk. The lack of full-time secondees will continue to hamper the on-going development of DSC's work programme and, given that the project aims to benefit the whole authority, Audit & Risk management is once again seeking full-time secondees with relevant experience from across Council departments.

6.0 Conclusions

- 6.1 DSC has recently launched its first major set of deliverables and this marks a significant milestone in the development of more robust and consistent project management arrangements across the Council. The adoption of the '*Policy on the Governance of Council Business Change Programmes and Projects*' will aid in embedding this work further. However, the achievement of genuinely robust programme and project management arrangements is dependent on the successful development and implementation of additional work set-out within this report.

7.0 Recommendations

- 7.1 It is recommended that Executive Board:
- Approves DSC's Corporate Project Management Framework and supports its promotion across the Council.
 - approves the '*Policy on the Governance of Council Business Change Programmes and Projects*' which calls for the adoption of a portfolio management approach as well as making the use of the DSC project management methodology mandatory.