

TITLE	Project Management Framework
FOR CONSIDERATION BY	Audit Committee on 16 July 2013
WARD	None Specific
STRATEGIC DIRECTOR	Andrew Moulton, Director of Transformation

OUTCOME

Improved performance in managing and delivering major Council projects.

RECOMMENDATIONS

To note the framework for managing major Council projects.

SUMMARY OF REPORT

The Council uses PRINCE2 (Projects in Controlled Environments) as a framework for managing major projects. The Audit Committee has previously noted that not all major projects have been run in accordance with an agreed methodology and that, as a consequence, risks within projects may not be adequately managed.

Noting that PRINCE2 is purely a framework rather than a prescriptive list of requirements, this report seeks to clarify the minimum standards that should be applied to major projects in terms of the roles and responsibilities and project documentation. The report also provides guidance of the features of significant projects for the Council that would lead them to be classified "major" projects and how this classification takes place.

Background

At its meeting of 6 February 2013, the Audit Committee noted the latest position with regard to the Council's framework for Project Management,

It was acknowledged that there had been improvements in this area. One of the changes refers to high profile projects which receive additional scrutiny on a regular basis by the Corporate Leadership Team (CLT). However it was reported that the risks that these recommendations are intended to mitigate remain. Areas where recommendations have been made include quality assurance over mandatory elements of project management and the robust management of risk within projects, including the training of project managers in risk management. At present the council is exposed to the risk that projects are not run in accordance with an agreed project methodology and that risk within projects is not being adequately managed.

In response to this, officers have clarified the project methodology in use for major project work and set out the minimum requirements expected. This report summarises the approach across the following headings:-

- Definition of "Major" project
- Methodology
- Key roles and responsibilities
- Key documentation
- Approach (in line with the Council's values, emerging coaching culture, and performance improvement journey)
- Implementation date

Major Projects

There is no one definition of a major project although the likely features are significant changes that:-

- Impact more than one part of the organisation
- Have a high public profile
- Have a significant impact (e.g. financial)

A major projects list is held and owned by the Corporate Leadership Team who will decide on a case by case basis, with advice from the relevant Strategic Director, whether changes fall into the major projects category.

Methodology

The Council has chosen the PRINCE2 framework on which to base its methodology.

PRINCE2 is intended to be a generic method, suitable for managing any kind of project (not just IT projects). It takes the view that successful projects require visible control, and therefore provides them with an organised start, middle, and end. It divides projects into a number of management stages that provide flexible event-driven review and decision points.

PRINCE2 is rooted in the business case of which the project is a part. Every project is based on a business case. It is performed for the users by the suppliers for the benefit of the business. PRINCE2 sees active user and supplier involvement in the project as essential and defines this formally.

PRINCE2 defines a structure for authority, delegation, and decision-making. It also defines the communication channels between the project team, the project board, and the rest of the organisation. Management of the project is by exception. There is automatic management control for deviations from the agreed project plan. The project manager works under delegated authority and within defined and agreed tolerances to undertake day to day project management and deliver the project.

Project progress and status are best measured by tangible results. Project planning is therefore based on products and outcomes, rather than the tasks and activities required to produce them.

PRINCE2 views effective change control as essential to successful project delivery. It recognises that change is inevitable and manages changes as issues. Finally, PRINCE2 is a framework for project management. Tailoring it to the organisation and the project in hand is critical to its success.

Key Roles and Responsibilities

The **Project Sponsor** has full authority for the project and is normally one of the Council's Strategic Directors or Heads of Service. Together with the Project Board (see list of responsibilities below), the Project Sponsor will provide overall direction and final authorisation of the budget. The Sponsor will make arrangements to keep the Corporate Leadership Team and Executive informed on progress and will chair regular Project Board meetings. The Sponsor is final arbitrator if the Project Board disagrees or cannot come to a consensus decision.

Project Board

The Project Board responsibilities include-

- taking responsibility for the success of the project
- agreeing the scope, objectives and constraints of the project
- agreeing the overall project plan
- authorising project expenditure against budget
- co-ordinating priorities
- representing the project to external bodies
- ensuring the interests of the staff or section they represent are met, when not in conflict with the project's objectives
- reviewing the status of the project regularly
- approving plans which deviate from the agreed overall project plan
- providing top level decision making and problem resolution
- approving major project deliverables or products
- agreeing project closure

The Project Board will usually comprise the Project Sponsor, Project Manager, and senior representatives of the main supplier and customers of the project.

Project Manager

Main responsibilities include (not exhaustive):

- drawing up an achievable project plan and managing the progress of the Project Team against plan
- taking responsibility for quality and performance particularly in terms of meeting project objectives, time-scales, budget and Project Sponsor satisfaction
- reporting formally to the Project Board
- providing Highlight Reports to the Project Board at regular intervals
- providing top-level briefings and reports to the Sponsor as requested
- chairing project review meetings with the Project Team
- helping specify and agree any changes or modifications to the project plan
- selecting and co-ordinating resources
- ensuring selected individuals are trained appropriately to enable them to undertake their project tasks
- motivating and leading the Project Team to a successful project completion
- ensuring that standards are maintained throughout the project
- conforming to agreed tolerance and escalation levels
- contributing to risk assessment and monitoring
- preparing Acceptance Testing or Acceptance Criteria plans

Key Documentation

Minimum requirements for Major Projects:

i. Business Case.

The Business Case is a document that justifies the undertaking of the project based on the estimated cost in time and money to develop and implement the service against the perceived business benefit, business risk and business gain.

In creating a Business Case the total business cost must be weighed against the total project cost, including annual running costs of the new service.

The Business Case is used to justify the need for the project and must confirm that the total business cost in carrying out the work is worth the business gain or expected business saving.

The Business Case will be signed off by CLT.

ii. Project Brief

The Project Brief Document is the basis on which the project is authorised and allowed to progress. It will also be the basis on which the project is measured both on delivery timescales and the content and quality of the deliveries. It is one of the most important documents produced by the project. It answers the questions:

- What is the Project aiming to achieve
- Why it is important to achieve it

- Who is going to be involved in managing and delivering it
- How and when it will happen

The Project Brief can be a complete document in its own right or it can be a summary document, which points to separate documents, which are part of the overall brief.

We have chosen to combine various PRINCE2 documents into one for simplicity and efficiency. These include what is known as the Project Initiation Document (PID)

The Project Brief will be signed off by CLT.

iii. Project Plan

The Project Plan sets out key information about the stages of the project, key milestones, activities, start dates and end dates, and resource accountabilities. It is often produced using Microsoft Project (a specific tool to assist project planning) but in some instances the project manager may choose to use another tool (such as Microsoft Excel) depending on the complexity of the project.

iv. Communications Plan

Whilst PRINCE2 does not prescribe this, for all major projects a communications plan will be produced setting out key messages, audience, types of communication channels to be used and key milestones.

v. Risk and Issues Registers

All projects involve risks. One of the pillars of successful project management is effective management of risk. Risk may be defined as "uncertainty of outcome". Events that have not happened, may never happen but could happen and would have an impact on achieving the desired outcomes of a project.

Some risks materialise into issues and these also need to be managed in a clear, structured way.

The registers will include all identified risks/issues, the owner, the mitigating action(s) taken to reduce or eliminate the risk/issue.

vi. Highlight Reporting

Regular reporting (regularity as defined by the Project Sponsor) is an essential feature showing the overall status of the project. The report should be by exception highlighting any areas requiring project board or project sponsor support or intervention.

vii. Lessons Learned

As part of the closure of the project, a learned review should be conducted and reported highlighting areas of both good practice (what worked well) and areas for which improvement should be sought in future projects.

Approach

The items above describe the "what" of project management i.e. roles, responsibilities, documentation etc.

However, successful project implementation depends equally on "how" activities are conducted. In line with the Council's values, emerging coaching culture, and performance improvement journey, we will be developing a behavioural and competency training programme to complement existing PRINCE2 skills based training.

Implementation Date

Many of the features described above are already in place. However, for the purposes of this report, all new major projects commencing post 1 August 2013 will meet these minimum standards.