

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Project Management Select Committee
Meeting/Date:	Overview & Scrutiny (Economic Well-being) Panel – 9 April 2015 Cabinet – 23 April 2015
Executive Portfolio:	Resources, Councillor Jonathan Gray
Report by:	Councillor Roger Harrison, Select Committee Chairman Councillor Robin Carter Councillor Peter Mitchell
Ward(s) affected:	All

Executive Summary:

This report is intended to present the findings of the Project Management Select Committee and make recommendations to Cabinet and Senior Management Team on how project management can be further improved.

The Select Committee was held on 17th February 2015 and involved looking back at past projects (Huntingdon Multi-Storey Car Park and the redevelopment of One Leisure St Ives), a demonstration of the Council's project management tools and three workshop sessions each focussed on different project phases. Members were also given a range of information on how projects should be managed and access to details of current and past projects.

Throughout the day, a range of issues were discussed and a number of recommendations were proposed. In summary, the Chairman considered that the Select Committee was able to offer reassurance to the Council on the general direction of the new management team with regards to project management.

Recommendation(s):

It is recommended that:

- Overview & Scrutiny processes be reviewed following the Scrutiny away day, to include improved tracking of Overview & Scrutiny recommendations, improved information in reports to encourage challenge and better decision making and analysis of Members' skills to make better use of individual O&S Panel Members
- Project management guidance be amended to require original Business Cases to be kept live and linked from the definition section of the Project Initiation Document (PID)
- A session with the Programme and Projects Manager be arranged to explain the purpose of this new role and what it will achieve
- Project updates be included in the quarterly performance reports to O&S Panels
- A review by the Overview & Scrutiny (Economic Well-Being) Panel be arranged for 6 months' time to review steps followed in delivering the In-Cab Technology project and other projects currently in the delivery stage, including their procurement processes, and to assess how well the highlight reports for these projects are working
- A review by Members of the Project Management Select Committee be arranged for 12 months' time to review financial reporting on projects and the post-delivery stage.

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1. BACKGROUND

- 1.1 Following consideration of a project closedown report on the Multi-Storey Car Park in Huntingdon and the One Leisure St Ives Redevelopment by the Overview & Scrutiny (Economic Well-being) Panel in November 2014, it was determined that a Select Committee would be convened in February 2015 to review the Council's new Project Management procedures.
- 1.2 The Select Committee was held on 17th February 2015, with all members of the Overview & Scrutiny (Economic Well-being) Panel and three members from each of the other Overview & Scrutiny Panels invited to attend.

2. SCOPE OF THE REVIEW

- 2.1 The Terms of Reference for the Select Committee were:
- To review the Council's project management arrangements in the wake of the issues highlighted by the One Leisure St Ives and Huntingdon Multi-Storey Car Park Close Down Report.
 - To test the robustness of the Council's new project management toolkit and governance arrangements.
 - To consider how lessons learned have been addressed.
 - To determine any further improvements required.

3. METHODOLOGY

- 3.1 The Select Committee received document bundles in advance of the meeting, including copies of the Council's Project Management guidance and associated document templates and copies of the Code of Procurement and procurement guidance and protocols. They also received a number of briefing notes and further information on the Multi-Storey Car Park and One Leisure St Ives Redevelopment projects to consider alongside the closedown report.
- 3.2 The agenda for the Select Committee meeting included presentations from the Managing Director, Corporate Team Manager and the Web and Systems Team Manager, followed by the opportunity for questions and answers. Workshop sessions in the afternoon were split into three groups as follows:

Overarching Financial Control and Governance		
Project Pre-Delivery	Project Delivery	Project Post-Delivery

The Chairmen of these working groups were:

- Project Pre-Delivery & Post-Delivery – Councillor R Harrison
- Project Delivery – Councillor R Carter
- Overarching Financial Control and Governance – Councillor P Mitchell

4. FINDINGS

4.1 Looking back - review of past projects, presented by Managing Director

The Managing Director explained that the project closedown report previously submitted to the Overview & Scrutiny (Economic Well-being) Panel had been informed by research undertaken by the three Statutory Officers. Their research had involved reviewing relevant committee reports and financial records and speaking to people involved with the projects. However, the projects did not have Project Initiation Documents and other information that they would have expected to be able to refer to was missing.

- 4.2 The projects had resulted in some positive outcomes, with £10m invested including a significant contribution to redeveloping Huntingdon town centre. However, it is not possible to confirm how much of this has resulted directly from our investment due to a lack of benchmarks of past performance and with projections of income and attendance not based on realistic assumptions.
- 4.3 Similarly, there is a feeling that the projects may have been more successful if the economic downturn and reduction in public sector funding had not occurred. However, this is an assumption that cannot be proved either way.
- 4.4 The Managing Director discussed the closedown report's lists of what went badly and what was lacking. She explained how new processes were addressing these issues, including the new Project Management Governance Board, the Programme and Project Manager role in the Corporate Team and the Corporate Projects Register. Some training has taken place on business case development and nearly 40 people have completed the corporate Project Management training course so far.
- 4.5 The Managing Director was asked a series of questions. Some queries were specifically about the two projects while others related to concerns about project management generally. Discussion on the issues raised suggested that developing the role of Overview & Scrutiny could result in further improvements to how projects are approved and managed within the Council.

Recommendations resulting from this item are as follows:

- Improve tracking of Overview & Scrutiny recommendations
- Improve information in reports to encourage challenge and better decision making
- Include project updates in the quarterly performance reports to O&S Panels
- Analyse Members' skills to make better use of individual O&S Panel Members

4.6 **How are projects managed currently? Demonstration of project management tools and questions to Corporate Team Manager**

The Web and Systems Manager demonstrated the corporate project management site and toolkit. The site was developed within IMD but is now a corporate resource which has been used to help manage over 100 projects. It is based on the SharePoint system widely used across the Council and allows projects to be managed within programmes using a series of project templates and reporting tools. The system includes version control and approval workflow settings to help manage project documentation and maintain records of changes made. Project records can be archived following closedown.

4.7 The role of Overview & Scrutiny Members in monitoring the progress of projects was queried and would be explored further in the workshop sessions.

4.8 **Workshops: Looking forward, current project management arrangements**

Each workshop reviewed arrangements against Key Lines of Enquiry related to the relevant project phase. In doing this, live examples of current projects were reviewed to check whether agreed corporate processes were being followed correctly by project managers. Workshops had access to the Corporate Projects Register and the corporate project management site and had the opportunity to question senior officers attending.

4.9 Conclusions

The workshops fed back the findings from their sessions to the group, highlighting a range of positive findings as well as a number of concerns.

Project Pre-Delivery

The workshop reviewed the new corporate business case template and tested this against the Government's five case model (Strategic/Economic/Commercial/Financial/Management Case). The corporate template does answer all of these cases and it is expected that all projects should have a business case to be checked and approved before they can proceed.

The PID template was considered to be fairly standard and it was noted that the In-Cab Technology PID was still in draft and would be completed before being put to the Project Board for approval.

Recommendations resulting from this workshop are as follows:

- The original Business Case for a project should be kept live and linked from the definition section of the Project Initiation Document (PID)
- The workshop was not fully confident of how the highlight reporting process will work in practice so this should be looked at again in six months' time
- A session should be arranged with the Programme and Projects Manager to confirm that this role will achieve what is required

Project Delivery

The workshop reviewed the PID for the In-Cab Technology project. There were concerns over the strength of the business case and gaps in the PID and there were notes of a team meeting showing no actions to be taken. However, there was some evidence that project documentation has started to improve and the Chairman suggested scheduling a further review at a later date.

Recommendations resulting from this workshop are as follows:

- The In-Cab Technology project and other projects currently in the delivery stage should be revisited and reviewed in six months' time
- Procurement processes followed to deliver these projects should also be reviewed

Overarching Financial Control and Governance

The workshop looked back at financial reports to consider whether issues with past projects could have been flagged up earlier and different decisions made. While reports did show slippage, increased costs and lower contributions, the information presented was not easy to interpret and, without context, did not provide a clear message about problems. There was therefore no opportunity to make a different decision based on the information available at the time.

The workshop was informed of plans to improve future financial reports. They will present information with more contextual information for projects including details of current progress and any financial variations. These will present the full picture, showing any variation in spend/income profile since projects were first approved. The workshop was content with the new controls this will offer.

Recommendations resulting from this workshop are as follows:

- New steps still need to be proven so a review should take place in 12 months' time

Project Post-Delivery

The closedown report on the Multi-Storey Car Park and One Leisure St Ives redevelopment was seen as frank and honest. However, the examples reviewed were limited as most projects have not yet reached this stage.

Recommendations resulting from this workshop are as follows:

- The post-delivery stage should be reviewed again in 12 months' time

General discussion points

During the course of the day, a number of suggestions were made for how the three Overview and Scrutiny Panels could work together more effectively. These and other improvements to Overview and Scrutiny have subsequently been discussed at a Scrutiny Away Day held in late February.

Discussions about procurement procedures led to a suggestion for a review of our tendering procedures. This would include reviewing the need for a preferred supplier list for tenders, reviewing the option of moving to electronic tendering only and a review of use of the Social Value Act. The Vice-Chairman of the Overview & Scrutiny (Social Well-being) Panel has proposed including this on his Panel's work programme for 2015/16.

Members were in agreement that there should be further reviews in 6 and 12 months' time, as recommended above. The 6 month review could be for Economic Well-being Panel members only, with others invited to attend the meeting when the outcomes would be considered. The 12 month review could involve all Members involved in the Project Management Select Committee.

4.10 Summary and closing remarks

In summary, the Chairman was content with the new systems put in place and considered that the Select Committee can offer reassurance to the Council on the general direction of the new management team with regards to project management. Officers were thanked for the information provided and their honesty and transparency. Select Committee Members were thanked for their efforts and for keeping the focus on looking forwards. However, the Committee made a number of recommendations and project management will need to be revisited again later to ensure that implementation is consistent.

There was positive feedback on the Select Committee approach but there needs to be a clearer framework for future workshops. It was suggested that a scrutiny toolkit/guidance would be useful and this was also suggested at the subsequent Scrutiny away day.

5. RESOURCE IMPLICATIONS

- 5.1 The recommendations in this report do not require any significant additional resources, other than officer and Member time. Further reviews will give Overview & Scrutiny the opportunity to identify ways to improve how projects are managed or provide further reassurance to the Council that appropriate processes are in place to manage projects effectively.

6. LEGAL IMPLICATIONS

6.1 None.

7. OTHER IMPLICATIONS

7.1 The Select Committee were interested in reviewing procurement processes, including the use of the Social Value Act. A review will be put forward as a possible item to include on the Social Well-being Panel's work programme.

BACKGROUND PAPERS

Project closedown report, Huntingdon Multi-Storey Car Park and One Leisure, St Ives
Project Management Select Committee Scoping Document (Study Template)

<http://applications.huntingdonshire.gov.uk/moderngov/documents/s68590/Project%20Close%20Down%20Report%20MSCP%20OLSI%20Final%2028102014.pdf>

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