

Report of the Corporate Project Assurance lead

Scoping report for Corporate Project Management approach

Summary

1. The purpose of this report is to further development the discussion around Corporate Project Management with the Customer and Corporate Services Scrutiny Management Committee after the update report in October 2019 on the approach to Project Management across City of York Council.
2. The areas of interest highlighted in the previous meeting were:
 - How projects are managed;
 - Risk management;
 - How projects are challenged;
 - Lessons learned;
 - Quality assurance of project management; and
 - Change control;

Background

3. The council undertakes a complex and wide-ranging portfolio of projects that reaches from major regeneration projects to smaller in service/community based projects. The successful delivery of projects is key to the delivery of change across the Council and the City.
4. The corporate project management framework, All About Projects (AAP), is designed to provide parameters within which project managers can work whilst still fitting in with the overarching operating framework of the Council as guided by the constitution.

Areas to Scope

How projects are managed

5. Council projects are managed within the corporate project management AAP framework. This provides tools for project managers to apply project management methodology proportionate to the size of the project (this is determined at the beginning of the project through the project assessment matrix).
6. The AAP framework covers the lifecycle of the project starting with Discovery, which is about identifying problems, researching and generating ideas that can be taken forward as a project. This is an important stage because it encourages reflection and challenge on current practices and culture in the context of political, environmental, social, technological, legal, financial and economic landscape and focuses on a human centered design (HCD) approach to solving the problem. This approach ensures that, as the project develops, the attention is always on the person/people who would benefit from the project and they play a key role in developing products within the project.
7. This process is designed to be iterative, with prototyping, to ensure that all avenues have been investigated and the idea is ready to be launched as a project. The real benefit of this phase is that the project is well thought out and developed before initiation, which can lead to saved time, cost and a much reduced chance of project failure.
8. After the Discovery phase, when an idea has been identified to take forward as a project, the basics of the project are developed in order to receive a mandate to proceed with the development of a project. The work then starts on the development of the business case. In the AAP framework this happens in three stages:
 - i) The Strategic Outline Case (SOC);

The high level financials, outcomes, risks and options are developed;
 - ii) The Outline Business Case (OBC);

A further level of detail is applied in terms of costs, benefits, risks and a short list of options are developed with a recommended option. The recommended option is likely to include the selection of a supplier if there is a procurement

process;

iii) The Full Business Case (FBC);

Once the preferred option is selected, the final detail is applied and, where appropriate a procurement process is completed to attain cost certainty and contracts are signed to enable the start to the delivery;

9. These stages are consistent with Treasury green book guidance on business case development (and procurement) and reflects how organisations like West Yorkshire Combined Authority (WYCA) operate their business case development.
10. Once the FBC is complete the project is ready for delivery. The delivery phase is usually broken into work streams and the production of the outputs are managed with a focus on time, cost and quality. It is important during this phase that the outputs are tested against the outcome framework set out in the business case development to ensure that the outputs will deliver the expected benefits.
11. Finally once the outputs are complete the project moves into the closure phase. This is where the outputs of the project are transitioned into business as usual, tracking of benefits are incorporated into service performance management and a lessons learned review is conducted.

Recommendation

12. Since the AAP framework has been the subject of attention for the Audit and Governance committee over the past 5 years and is also subject to an annual audit and the framework is based on best practice and central government guidance, there is probably little scope in a project looking at the framework as a whole. However, it may be beneficial to look at the Discovery phase as this phase is more open to development and new ways of thinking and adjustments could lead to higher quality and more efficient projects (see **Annex A - AAP Discovery phase**).

Risk management

13. A critical element of project management is risk management. This process is designed to ensure that the project manager navigates through the project with their eyes open. It involves identifying potential risks to the process, what the consequence would be if the risk happened, what controls the project could put in place in order to manage down or mitigate the risk and the actions that would be

undertaken to apply the controls. The likelihood and impact of the risk is also assessed.

14. Risk management is a process that is live throughout the life of a project and as a project develops risks will potentially increase, decrease, close or new risks may emerge.
15. There is a corporate approach to risk management and project risks are managed as per the corporate guidance. In the development of the risk register for a project, each project will be assigned an owner and, although the controls and actions may not sit with them, they will take responsibility for the risk. The project manager, if they are not the risk owner, has oversight and challenges the risk owner as well as ensuring that risk evaluation is correct and consistent. Risk scoring is set by the project manager in consultation with the project sponsor and is ratified by the project board. The project assurance function will scrutinise the risk register alongside other project products.

Recommendation

16. The approach to risk management is a regular item both at Audit and Governance and through internal audits. At the last internal audit it was acknowledged that risks were managed well across the portfolio of major projects. It was recommended that risks were updated in a way that showed how the risk had progressed (this was a nuance of the corporate project management system that meant some project managers were overwriting the risk to update rather than providing an update record and the project managers were guided so it was clearer how a risk can be updated over time). There is scope for a piece of work looking into the evaluation of risks in projects and how this is challenged over the lifecycle of a project.

How projects are challenged

17. There are five principle ways that a project can be challenged:
 - i) Through the governance of the project. Each project has an identified project board and decision making within the project will be consistent with the constitution of the Council and the scheme of delegations. It becomes more complicated if the Council are a partner in a project. In this case the decision making and scrutiny will be highlighted in the terms of reference and this will factor in the constitution of the Council where appropriate. Members will be briefed on the performance and progress of projects in regular briefing sessions;

- ii) Public decision making. The constitution of the council and the scheme of delegations defines where decisions should be made. This means all significant decisions are always taken to the appropriate body (Council, Executive, Executive member, Officer decision) and recorded;
- iii) Scrutiny Management Committees. Where a project falls within a particular business area, it may be appropriate to select an element of the project or the whole project for scrutiny. This is usually to test the performance of the project and the robustness of decisions made within the project;
- iv) Project assurance. The Project assurance function in the Council acts as an overseer of all project management practice and project delivery, focusing on major projects. Each project will have an assurance function and the Programme Assurance Group oversees these functions and looks at cross cutting issues. The Corporate Project Assurance lead updates Council Management Team on progress and issues on a two-monthly basis;
- v) Gateway review. Between each phase of a project it is recommended that a gateway review is conducted in order to ensure that the project is fit to move to the next phase. The Gateway review consists of an independent (to the project) review team and the project team. The project team provides the evidence on the performance of the project and whether it has completed all the tasks required in the current project phase in order to progress. The result of gateway reviews are reported to the Council Management Team (CMT) for sign off for Major projects. Recently gateway reviews have been held on York Central, Older Persons' Accommodation, and the Library procurement major projects;

Recommendation

18. The governance of the projects is well controlled and other elements are managed within the AAP framework. It may be interesting to investigate a more formal wraparound of Scrutiny Management Committees for major projects.

Lessons learned

19. Lessons learned are collected throughout the course of each project and form the content of reviews to close projects. In terms of structure, a lesson will be described and an action plan will be formed to sit

alongside the lesson. Lessons learned are then stored in the corporate project management system for sharing across projects.

20. This is a sound approach in theory and works well in a lot of cases in practice, but for an organisation as diverse in terms of business areas it is often difficult to develop the “corporate memory”. Inevitably knowledge of projects will sit in the heads of the people involved and if they leave not all knowledge is necessarily passed on.

Recommendation

21. A useful subject to review would be methods of improving the “corporate memory” and how to embed lessons learned across the organisation that would then stick in the “corporate memory”.

Quality assurance of project management

22. There are standard approaches to quality management within project management frameworks. This is about setting at the outset the standard within which the project should operate and making period assessments during the life of the project and ensure that the project meets the original needs of the customer.
23. This manifests in both an assessment of the quality of the outputs (e.g. is the building being built to the right standards) and the quality of the project products (e.g. project documentation).
24. Quality assurance is exercised across the council in assessing the performance of projects.

Recommendation

25. It may be a good exercise for the committee to shadow a quality management process on a project and assess for improvements and best practice.

Change control

26. Change control is a fundamental part of project management. Over time the conditions of a project may change. For example, the scope of a project may change due to an increase in cost of materials. The purpose of a change control is to manage the project from one state to another.
27. This process is usually managed by the project board (or elsewhere depending on the significance of the change) where a change request

paper would be brought forward describing the change, the business case for the change (the impact on benefits, costs, risks, etc. and potentially options if there are any). Once the change request has been accepted, it will be recorded in the board minutes, so there is an audit of the change and key documents, like the project initiation document would be updated.

28. Change control records are kept with the board papers and the depth of the change request will depend on the scale of the project and may depend on outside factors, such as a funding body, the request itself would be in the format for the funding body and be noted at board (with the necessary adjustments to the project initiation document). A log of all major changes across the major project portfolio is kept.

Recommendation

29. Again this process is one that is well embedded in project management practices, however, it may be useful to review the major changes across the major portfolio and compare with approaches elsewhere.

Recommendations

30. Customer and Corporate Services Scrutiny Management Committee are asked to review and approve the recommendations in the body of the report. It may be useful for the committee to pick out one area of work, suggested in the body of the report, to develop further.

Reason: To ensure that the committee is kept updated on key and project activity.

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	Report Approved	√	Date 29/11/2019
Specialist Implications Officer(s) None			
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Background Papers

Abbreviations

AAP – All About Projects (this is the council’s project management framework)

CMT – Council Management Team

CYC – City of York Council

Verto – Verto is the council’s project management ICT system

Annexes

Annex A - AAP Discovery phase