MIDDLESBROUGH COUNCIL	Middlesbrough moving forward

CORPORATE AFFAIRS AND AUDIT COMMITTEE

Report title	Programme Office Update
Director	Strategic Director of Finance, Governance and Support
Date	29 May 2018
Purpose of the report	To summarise improvements made following the first annual review of the Programme Management Office (PMO), and outline next steps.
Summary of the report	The PMO has successfully implemented all improvements agreed by the Committee in December 2017, resulting in improved programme and project management (PPM) within the organisation. A range of further actions are planned for 2018/19 as the Council continues to refine its approach.
If this is a confidential report, which category of exemption(s) from the Schedule 12a of the Local Government Act 1972 applies?	Not applicable.
Decision(s) asked for	That the Committee notes the progress made to date in improving PPM and to consider whether current arrangements and future plans are sufficient to ensure good PPM governance. That going forward the Committee receives annual assurance updates on PPM governance.
Impact of decision(s)	The principles of effective PPM governance will be further embedded in the organisation, supporting good outcomes.
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What is the purpose of this report?

1. This report identifies improvements made following the first annual review of the Programme Management Office (PMO) reported to the Committee in December 2017, and includes proposals to further embed the principles of effective Programme and Project Management (PPM) within the Council.

Why is this report necessary?

Background

2. An internal audit of project management arrangements, supported by the Council's external auditor in its Value for Money conclusion on the 2014/15 Statement of Accounts, triggered the development of the Council's PPM framework in January 2016.

3. The framework also identified the need for a Programme Management Office (PMO) to develop and implement the PPM framework and its associated governance arrangements. Progress was reported regularly to Executive and Corporate Affairs and Audit Committee within Council Improvement Plan updates.

4. In November 2017, Executive approved the findings from the first annual review of the PMO, which included proposals to further embed practices and ensure successful delivery of programmes and projects across the Council.

5. These feedback from the survey was implemented in the shape of an Improvement Plan (Appendix 1) and covered the following thematic areas:

   - communications;
   - project documentation;
   - governance boards;
   - PMO support;
   - software; and
   - performance.

6. The Improvement Plan was successfully implemented during 2017/18, and this report details its successes and the future actions identified from work undertaken to date.

Progress

Communications

7. To ensure that PPM staff have the most up to date reference information and guidance available:

   - the PPM Framework was updated to version 2.6 to include guidance / reference to partnership working and social value projects;
   - roles and responsibilities of project related roles have been communicated at all Directorate Project Boards to ensure accountability and effective monitoring; and
   - a communications plan including regular newsletters was implemented, and a PPM checklist was created, all of which are stored on the updated PMO staff intranet page.

Project documentation

8. Feedback taken from the annual survey reported to the Committee in December 2017 triggered the following improvements to project documentation:

- the project brief template was aligned with the approach to financial information requirements for capital applications, demonstrating a joined-up approach;
- this financial tracker is now used consistently across all projects, as opposed to only capital funded programmes and projects to ensure consistency of governance and accountability;
- project closure reports now include original financial information and targets to outline comparison with the project baseline; and
- a risk and issue log has been developed for Level 2 'projects on a page'.

Governance Boards

9. The governance structure was reviewed and was found to be working well, however there were small improvements to be made to ensure these ran as effectively as possible:

- a board forward plan has been developed and stored on the staff intranet PMO page, to ensure ownership of deadlines by project managers; and
- attendance of project managers at boards is agreed by project sponsors prior in advance to ensure a more effective use of time.

PMO support

10. The PMO model has a strand which aspires to developing a Centre of Excellence. As such, the following improvements have been made:

- Programme Office Coordinators have successfully sat 'Business Partner' assessments, and have since had amendments made to their job title and description to reference the business partnering approach;
- all members of PMO have recently completed the 'Better Business Cases: Five Case Model foundation and practitioner exams' to ensure that the advice provided to project managers is consistent with best practice;
- a best practice group has been established for Level 1 projects, to share case studies and new developments, including dissemination of lessons learned; and
- drop-in sessions are held for Level 2 projects to review the framework and corporate approach to project management and include project software system refresher training.

Software

11. Taking on board feedback from project managers, work has been undertaken to make improvements to the Council's project management system:

- reporting functionality has been explored and improved; and
- licenses for the system have been renewed until March 2019 only, with a view to exploring other market options from June 2018.

Performance

12. KPIs have now been developed and baselined in order to track performance of the PMO, including:

- the quality of project documentation;
- the RAG rating of programmes and projects: and
- PMO user satisfaction.

13. An update of progress against these measures will be provided in future reports to the Committee. Progress to date is evidenced by the reduction in red-rated Level 1 programmes and projects from 13% in November 2016 to 3% at March 2018.

14. The draft capital outturn figures for 2017/18 identified spend of £34.7m against an opening budget of £33.8m, equating to 3% over-delivery (not overspend) against the initial capital programme for the year. This is a substantial improvement on previous years where there has been a pattern of significant slippage (31% in 2015/16 pre-PPM Framework roll-out, reducing to 24% in 2016/17); undoubtedly the impact of having Programme and Project Management disciplines embedded is attributable to this achievement.

Future plans

15. Work will continue to embed the principles of effective PPM during 2018/19 (Appendix 2), including:

- a full review of the suite of standard documentation will be complete by October 2018, to ensure a better user experience, offering structure and guidance to project managers, and providing for decisions to be confidently made;
- Review to be undertaken of project software system to ensure fit for purpose and value for money;
- extensive guidance on 'social value' projects will be developed and shared with PPM staff through the PPM framework, best practice group, and the PMO intranet page by October 2018; and
- ongoing strengthening of relationships with finance business partners to maintain and improve a joined-up approach.

16. Given progress to date and to allow time for changes to have the proper impact, it is proposed that in future the Committee is updated annually, rather than bi-annually, in line with other assurance updates presented to the Committee.

What decision(s) are being asked for?

17. That the Committee notes the progress made to date in improving PPM and to consider whether current arrangements and future plans are sufficient to ensure good PPM governance.

18. That going forward the Committee receives annual assurance updates on PPM governance.

Why is this being recommended?

19. To support the Committee in discharging its responsibilities in relation to corporate governance, which includes PPM governance.

Other potential decisions and why these have not been recommended

20. Not applicable.

Impact(s) of recommended decision(s)

Legal

21. Progress to date and the proposed improvements set out in the report are consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

Financial

22. It is anticipated that all activity set out in this report is achievable within existing and planned budgets.

The Mayor's Vision for Middlesbrough

23. The PPM framework underpins the Council's Strategic Plan 2018-22, which in turn sets out how the Council will contribute to the delivery of the Mayor's Vision for Middlesbrough.

24. The Mayor's Vision for Middlesbrough in 2025 - Fairer, Safer, Stronger – will be further strengthened by the following three strategic themes:

- Physical Regeneration
- Social Regeneration
- Business Imperatives

25. The work that the PMO undertakes aligns directly with the Business Imperative; ensuring that the Council operates efficiently and effectively, so that Physical and Social Regeneration outcomes are maximised.

Policy Framework

26. Current and planned activity is consistent with the direction of travel set out in the Strategic Plan, and so is aligned with the Council's Policy Framework.

Wards

27. Not applicable.

Equality and Diversity

28. Not applicable.

Risk

29. The PPM framework provides for the effective management of programme and project risk, aligning this with the Council's strategic approach.

Actions to be taken to implement the decision(s)

30. The actions set out at paragraph 13 will be implemented as part of the PMO development plan, with progress reported to the Committee in early 2019/20.

Appendices

Appendix 1   PMO Improvement Plan 2017/18

Background papers

| 28/11/17 | Executive | Annual Review of Programme and Project Management |
| 07/12/17 | Corporate Audit and Affairs Committee | Annual Review of Programme and Project Management |

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Appendix 1 – PMO Improvement Plan 2017/18

Theme	Action to be taken	Due	Status
Communications	Partnership approach to project management agreed and to be included in framework update.	22/12/2017	Complete
	Communications plan to be reinstated and maintained to ensure better communication and wider roll-out of framework and related processes.	30/11/2017	Complete
	Foundation and Practitioner Better Business Case training to be undertaken by PMO to identify approach to non-financial benefits in project definition.	22/12/2017	Complete
	PMO Intranet page to be reviewed and updated to offer clearer guidance on what constitutes a project.	29/11/2017	Complete
	PM checklist to be developed, circulated in newsletter and held on PMO intranet page to offer PM assurance on due process.	30/11/2017	Complete
Documentation	Work with system tech support to: • refine documentation formatting • adapt Project on a Page template to allow for text updates • review duplication of content • improve cost / benefit sections	22/12/2017	Complete
	Finance tracker to be used for all projects, not just capital funded. Project documentation templates updated accordingly to reflect requirement.	22/12/2017	Complete
	Project closure report template updated to include financial information, targets and due date under post-project benefits section.	31/12/2017	Complete
	Seek input from Deloitte and Finance Business Partners to include guidance for PM's on financial sections of documentation and amend accordingly.	31/12/2017	Complete
	PM group of L1 PMs to be developed; sharing case studies and best practise and disseminating lessons learned.	31/01/2018	Complete
	PMO to create an optional risk and issue log to support Level 2 / POAP projects and upload onto intranet page and share through newsletter.	31/10/2017	Complete
	Programme level risks and issues to be captured in documentation through a full documentation review.	31/12/2017	Complete
Directorate Project Boards	Agenda to be redesigned to allocate slots for PM attendance, specifically in Growth and Place.	30/11/2017	Complete
	Project Board structure and process to be refined to ensure PMs receive direct and consistent feedback on documentation / actions / approvals.	30/11/2017	Complete
	FWP to be developed and stored on PMO intranet page with dates of DPBs, deadlines for responses and pipeline gateway approvals to ensure ownership / accountability.	31/10/2017	Complete
	All PMs invited to Directorate Project Boards as optional attendees to ensure place holding in diary. Governance calendar to be communicated to inform PM of significant dates.	30/09/2017	Complete

PMO Support	Improved communication of PMO support available: • quarterly workshops for L1 PMs on a quarterly basis • quarterly drop-in sessions for L2 PMs on a quarterly basis • PMO intranet page reviewed and communicated accordingly	31/01/2018	Complete
	Face to face dialogue with PMs to be adopted and offered to PMs where practicable, with the option for face to face follow up on email where required.	30/09/2017	Complete
	Role of Sponsors to be further embedded to instil culture of PPM methodology; roles and responsibilities to be covered at future DPB for clarity, with clearer reference made on updated PMO intranet page.	31/01/2018	Complete
Software	Work with software system technical support to: • further develop reporting potential • introduce system alerts / notifications	31/12/2017	Complete
	System roll-out to be managed / communicated better. Communications plan to be resumed and reviewed once changes are implemented to ensure all PM's are aware of and able to utilise.	31/01/2018	Complete
	Duplication between project documentation being saved / stored in both project system and iPortal. PM's to be made aware via PMO communication that all project documentation to be saved in system.	22/12/2017	Complete
	Review / refresh system user guidance.	22/12/2017	Complete
	Renew project software system by end of 2017/18.	31/03/2018	Complete
Performance	KPIs to be developed and a baseline established against: • the quality of project documentation; • the RAG rating of programmes and projects: and • PMO user satisfaction.	22/12/2017	Complete
	Quarterly reviews of FWP and Strategic Priorities to become embedded, cross-referencing the PMO Pipeline Tracker to ensure management of project pipeline tracker.	22/12/2017	Complete