
REPORT OF THE INVESTMENT BOARD

1 NEW APPROACH TO THE OVERSIGHT, REVIEW AND IMPLEMENTATION OF PROJECTS

- 1.1 At its meeting on 17 January 2018 the Investment Board agreed a more streamlined approach to project work through the delivery of a revised Programme Management Office approach and that the Executive be advised of information that will now be provided in relation to projects aligned with its oversight.
- 1.2 An extract of the key elements of the report of the Strategic Director to the Investment Board is at Appendix A. At Appendix B is the example of the contents of a single dashboard for the reporting of all performance indicators provided to the Investment Board. Paragraph 3.1 to 3.13 of Appendix A contain the key commentary on the nature of reporting that would emanate from the Programme Management Office and information that would be provided to the Executive in relation to Gold, Silver and Bronze projects aligned to its oversight.
- 1.3 The Investment Board noted that:-
- The proposed approach would encompass the ‘golden thread’ concept and a facility for trend analysis between periods could be introduced. Assistant Directors would work with the Programme Management Office to revise baseline data in consultation with Member sponsors.
 - Project management methodologies would be appropriate for all Council projects notwithstanding their designation level. A number of tried and tested project management techniques would be embedded and an officer skills audit undertaken as part of data re-alignment.
 - Within its data capture activity the Programme Management Office would identify critical paths and interdependences to provide for go/no go decision making in relation to each project.
- 1.4 It is proposed that the Executive **RESOLVES** to note the information that will now be provided in relation to projects aligned with its oversight. (SD)

PROPOSED NEW APPROACH TO THE OVERSIGHT, REVIEW AND IMPLEMENTATION OF PROJECTS

1 PURPOSE OF REPORT

- 1.1 To introduce a new, more streamlined approach for the Investment Board (IB) to have oversight and review of project work through the delivery of a revised Programme Management Office (PMO) approach.

2 BACKGROUND

- 2.1 The terms of reference for IB are captured in the minutes of the IB meeting of 7 December 2015 as follows:

- To ensure that best use is made of sites and property and that opportunities for co-location and income generating activities explored; maximising both the Economic and Social Value to the District.
- To consider and, where appropriate, approve a pipeline of projects/ activity, based on professional advice outlined in business cases from the Leadership Team, and setting the conditions to be met in perusal of objectives.
- To monitor the co-ordinated delivery of major schemes and projects to support property development and community facilities within the District; ensuring programme delivery, performance and quality.
- To shape, challenge and review business cases in relation to transformation and service development that require new investment (in excess of £25,000); with a particular focus on schemes that improve quality whilst reducing cost or generating a financial return.
- To act on conditions and advice given by Government, the accountable bodies where external or specific funding is being utilised and the Section 151 officer in ensuring that investment decisions are prudent, affordable and sustainable.
- To share information and good practice to ensure that the optimum use is made of all public and private sector resources.
- To have access to sufficient administrative resources in order to carry out the Committee's duties and to be provided with appropriate and timely training in the form of an induction programme and ongoing training for new appointees.

- 2.2 At present there are 19 live projects within the remit of IB / The Executive (these are listed in the Appendix). The purpose of project management is to foresee or predict as many dangers and problems as possible; and to plan,

organise and control activities so that projects are completed as successfully as possible in spite of all the risks. The original purpose of the PMO was, therefore, to apply project management skills and methodology to the implementation of these projects both to assist officers in delivery and to provide a reporting mechanism for IB to have oversight of progress. However, reporting on a large number of projects has adversely affected the efficacy of the PMO for the following reasons:

- All projects are subject to the same levels of PMO intervention, regardless of their size or strategic importance. This makes it very difficult to discern what information is the most relevant;
- As a consequence, additional reporting has been required to supplement the data which increases officer time, is inefficient and renders the role of PMO nugatory;
- Resources to deliver the PMO are limited to 3 FTE and their efficiency is diluted by the number of projects that require to be reported and other work pressures.
- Reporting lines are complex, with multiple project sponsors and with some projects being overseen by IB and others being overseen by the Executive. This is inefficient and dilutes the role of the PMO.

2.3 As the Council's financial pressures continue it is increasingly important to monitor how projects deliver against the Business Plan and the Medium Term Financial Strategy (MTFS). For the reasons set out above, the PMO needs to be reconfigured.

3 PROGRAMME MANAGEMENT OFFICE

3.1 The proposal is that the PMO should ensure that the most strategically important projects are reported to IB and/or Executive (as appropriate) in a way which is consistent with industry standard project management methodology and to a level of detail which enables proper scrutiny of these projects. It is proposed that projects should be categorised as GOLD, SILVER or BRONZE.

3.2 Projects would be categorised as GOLD projects on the basis that they meet some or all of the following criteria:

- They materially impact the MTFS and are therefore a financial priority for the Council; and/or
- They involve dedicated project management resource and/or financial investment, and/or

- They involve partnership working and are, therefore, a reputational high risk for the Council; and/or
 - They are otherwise politically sensitive and IB/Executive has decided that they need to have oversight.
- 3.3 It is proposed that with IB/Executive focussing on these GOLD projects, all other projects should be designated as SILVER or BRONZE.
- 3.4 The above categorisation would be dependent upon the risk profile and strategic importance to the Council.
- 3.5 The type of reporting produced by the PMO will also vary depending upon whether a project is GOLD, SILVER or BRONZE. The most detailed reporting should be deployed for GOLD projects where a greater level of scrutiny is most needed. SILVER and BRONZE projects will still be monitored, but the reporting will be more light touch.
- 3.6 In summary, the GOLD, SILVER and BRONZE delineation is set out in the table below, together with the Performance Indicators that the PMO would report on.

Project designation	Defining criteria	PMO reports on the following Performance Indicators
GOLD	<p>The project is material to the MTFs and links to wider strategic themes within the framework for projects and investment</p> <p>And;</p> <p>The project involves dedicated PM resource and/or investment and/or partnership working and/or is otherwise politically sensitive</p>	<ul style="list-style-type: none"> • Budgeting and forecasting • Resource planning and forecasting • Milestones and interdependencies • Critical path • Work-stream activity • Risk register • Communications plan and stakeholder engagement strategy • Benefits realisation
SILVER projects	<p>Any financial benefits of the project are not directly linked to the MTFs but the project still links to wider strategic themes within the framework for projects and investment</p> <p>The project does not</p>	<ul style="list-style-type: none"> • Milestones, interdependencies and critical path only • Risk register • Benefits realisation

Project designation	Defining criteria	PMO reports on the following Performance Indicators
	involve specific new investment but it does involve partnership working and/or is otherwise politically sensitive.	
BRONZE projects	<p>Any financial benefits of the project are not directly linked to the MTFS but the project still links to wider strategic themes within the framework for projects and investment</p> <p>The project does not involve specific new investment, does not involve partnership working and is not politically sensitive.</p>	<p>BY EXCEPTION ONLY:</p> <ul style="list-style-type: none"> • Critical path and interdependencies • Benefits realisation

- 3.7 The PMO's renewed primary purpose would be to standardise and introduce economies of repetition in the execution of GOLD and SILVER projects. If accepted, this proposal would mean that PMO would actively report to IB and/or the Executive (as appropriate) on all GOLD and SILVER projects but only BRONZE projects by exception i.e. if the project was not on track to deliver. This does not mean that officers would not continue to progress all live projects as these are still important, but it does mean that Members' collective focus will be on GOLD projects.
- 3.8 An analysis of the current live projects has found that eight could be described as "business as usual" and should be removed from the list. These projects (which are identified on the spreadsheet in the Appendix) have been absorbed into day to day operational delivery and do not require special oversight or management.
- 3.9 Of the remaining 11 projects, officers have identified that Project Wyvern Phase 1 and Phase 2 and the Asset Register Review project currently link to the delivery of the MTFS and are within the remit of IB. These would be GOLD projects.
- 3.10 A full list of all 19 projects and their categorisation is set out in the Appendix.

Form of reporting

- 3.11 It is proposed that the PMO will produce a single dashboard with GOLD and SILVER projects reporting against all performance indicators listed in the table above; plus reporting on BRONZE performance indicators by exception. The exact detail of the dashboard is yet to be finalised.
- 3.12 The dashboard would be the primary tool used by officers undertaking the projects and would be regularly reviewed by the Leadership Team. The dashboard would be the reporting tool for IB and for the Executive, which means it would create a single version of the truth which could be updated in real time. This would improve efficiency and transparency of reporting and assist officers to improve delivery.
- 3.13 This means that IB and the Executive would only receive detailed PMO information in respect of three GOLD projects and a more limited data set for SILVER and BRONZE projects.

4 RISK IMPLICATIONS

- 4.1 Moving to the new proposed PMO methodology would improve risk management and ensuring that IB is focussing its attentions on those projects that materially impact the MTFs and/or are the most important reputational or impactful projects for the Council, to improve transparency and scrutiny and improve chances of success and benefit realisation. The creation of a dashboard with detailed backing data would provide the IB with improved levels of detail which can be updated more easily by officers to give data which is accurate and up to date.

5 RESOURCE IMPLICATIONS

- 5.1 The revised approach to Project Management set out in this report should not require any additional resource to implement. By focusing officer time on the most strategically important projects, and streamlining the reporting process to Members, this should enable resources to be used in the most efficient way and maximise the chances of projects being delivered successfully.

Appendix

Programme Office Theme Pre December 2017	Investment Board / Executive	Programme Office Theme Post December 2017	
		Gold/Silver/Bronze	
Property Acquisition and Disposal	Investment Board	GOLD	Asset Acquisition and Development
Property Strategy	Investment Board		
Maximise Assets – Project Wyvern <ul style="list-style-type: none"> Phase 1 Phase 2 	Investment Board		
Maximise Assets – Asset Register <ul style="list-style-type: none"> Asset Register Review Phase 1 Asset Register Review Phase 2 	Investment Board		
Maximise Assets – Old House	Investment Board		
Maximise Assets – Colocation	Investment Board		
Key Contracts – ICT <ul style="list-style-type: none"> ICT Migration O365 Project 	Executive	GOLD	ICT
Large Commercial Projects – Income from Open Spaces (Hockley Woods / Cherry Orchard Country Park)	Investment Board	SILVER	Maximise Commercial Opportunities
Establish Trading Arm LATCO	Investment Board	-	









Programme Office Theme Pre December 2017	Investment Board / Executive	Programme Office Theme Post December 2017	
		Gold/Silver/Bronze	
Culture and Transformation	Executive	SILVER	Culture and Transformation
Homelessness / Housing Options <ul style="list-style-type: none"> Housing Options – New Service Model Homelessness Action Plan <ul style="list-style-type: none"> CAB Partnership Early Intervention Process and Decision Making Housing Allocations Temporary Accommodation Access to Services 	Executive	GOLD	Homelessness
Business Support / Business Rates	Executive	BRONZE	Operational Delivery
Empty Buildings and Underused Land	Executive		
Coastal 2020 <ul style="list-style-type: none"> Coastal Community HMS Beagle Wallasea 	Executive		
Enabling Communities <ul style="list-style-type: none"> Dementia Action Alliance Enabling Communities Good Neighbour Scheme 	Executive		
New Local Plan	Executive		










Programme Office Theme Pre December 2017	Investment Board / Executive	Programme Office Theme Post December 2017	
		Gold/Silver/Bronze	
Science / Medical / Technology Hub	Executive		
Programme Office	Executive		
Place Branding Project	Executive		

EXAMPLE DATA ONLY

Item 5, Appendix B

Item 3, Appendix

		Programme Health 	Programme RAG 	Overall Budget Spend 59%	At Risk Projects 1								
Project Name		Project Health		Reports to	Start	Finish	Aug 2016	Mar 2017	Sep 2017	Apr 2018	Oct 2018	May 2019	Dec 2019
GOLD	Asset Acquisition and Development			Investment Board	Dec-18	Mar-19							
GOLD	ICT			Executive	Nov-17	Jun-18							
GOLD	Homelessness			Executive	Dec-18	Jun-19							

	Title	Project Health	Project RAG	Actual Spend Vs. Budget	Direction of Travel	At Risk?	Red Milestones	High Risks	Benefits Realisation
1	Asset Acquisition and Development		RED	GREEN			5 (63%)	4 (50%)	
2	ICT		AMBER	GREEN			2 (25%)	1 (13%)	
5	Homelessness		GREEN	AMBER			2 (25%)	2 (25%)	

EXAMPLE DATA ONLY

PROJECT DETAIL

Project Reference	1
Project Title	Asset Acquisition and Development
Project Lead	Assistant Director - Commercial Services
Member Lead	Cllr Steptoe
Reports to	Investment Board

PROJECT DETAIL

Project Start Date	31/12/2018
Project Finish Date	31/03/2019
Project Stage	Completion
Project Team Members	6

PROJECT STATUS

Project Status	RED
Project Score (10)	1
DIRECTION OF TRAVEL	Ahead of Target

FINANCIAL INFORMATION

PLANNED BUDGET	£1,100,000
PLANNED SPEND TO DATE	£400,000
BUDGET REMAINING	£700,000
PERCENTAGE OF PLANNED BUDGET SPENT	36%
EMERGENCY SPEND	£50,000
ACTUAL PROJECT SPEND	£450,000

RISK CONSIDERATION

Number of High Risks	4	
Is your budget over spent?	No	0
Has there been any unforeseen major spend?	Yes	1
Number of Red Milestones	5	
Have your milestones slipped by more than 2 weeks?	Yes	1
Direction of Travel	OK	0
RISK STATUS	At Risk	2

GOLD				
MILESTONE DATA				
REF	DETAIL	START DATE	TARGET / ACTUAL END DATE	RAG
1	Overall milestone Phase 1	Dec-18	Mar-19	RED
2				RED
3				RED
4				RED
5				RED
6				GREEN
7				GREEN
8				Complete

RISK REGISTER			
REF	DETAIL	REVIEW DATE	RAG
1			Low
2			High
3			Medium
4			High
5			Low
6			High
7			High
8			Low