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## Scrutiny Review - Information Technology

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TUESDAY, 17TH JULY, 2007 at **18:00** HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, LONDON N22 8LE.

**PLEASE NOTE TIME OF MEETING**

MEMBERS: Councillors Bull (Chair), Cooke, Dogus, Gorrie, Hare, Hoban and Kober

**AGENDA**

**1. APOLOGIES FOR ABSENCE**

**2. URGENT BUSINESS**

The Chair will consider the admission of any late items of urgent business. (Late items will be considered under the agenda item where they appear. New items will be dealt with at item 5 below. New items of exempt business will be dealt with at item 5 below).

**3. DECLARATIONS OF INTEREST**

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the member's judgement of the public interest.

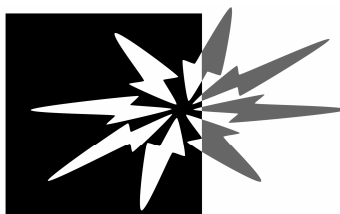
**4. REPORT FROM THE CHAIR: KEY PROJECTS DELIVERED BY I.T. SERVICES, PERIOD 2003 - 2006 (PAGES 1 - 60)**

## **5. NEW ITEMS OF URGENT BUSINESS**

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10 July 2007



**Haringey** Council

**Overview and Scrutiny Panel**

**On 17 July 2007**

Report Title: <b>Scrutiny Panel Report on Key Projects Delivered by Haringey IT Services During the Period 2003 – 2006</b>	
Forward Plan reference number (if applicable):	
Report of: <b>Chair of Scrutiny Review Panel</b>	
Wards(s) affected: <b>All</b>	Report for: <b>Key/Non-Key Decision</b>
<p><b>1. Purpose</b></p> <p>1.1 This report outlines the conclusions and recommendations of the Scrutiny Panel</p>	
<p><b>2. Recommendations</b></p> <p><b>2.1 That the Scrutiny Panel agree this report and the recommendations summarised below and refers the report to Overview and Scrutiny Committee for endorsement and refers it to the Cabinet Committee.</b></p> <p><b>2.2 That the Cabinet notes the finding by SOCITM, the external reviewer, that on the basis of the projects examined, the quality and effectiveness of Haringey IT Services project management processes are in the top ten percent when compared with all similarly sized public sector bodies with whom SOCITM has worked in the past. The Cabinet further notes that the project management failings identified by the Audit Commission in the Tech Refresh project were either, not found by SOCITM in the other contemporary projects examined, or have been seen to be rectified in the subsequent projects examined.</b></p> <p><b>Nevertheless, there are still areas for improvement in project management across the Council, which are reflected in the following recommendations:</b></p> <p><b>2.3 That the Cabinet ensures that Project Sponsors, Project Boards and Project Managers have the skills, knowledge and access to information to allow them to work effectively in order that projects are managed better in their totality.</b></p>	

**2.4 The Cabinet adopts and allocates 5% of total budget, as a 'norm', for project governance and that this only be exceeded when it can be justified.**

**2.5 That the Cabinet ensures that Post Implementation Reviews are carried out on all appropriately sized Council programmes/projects and that they be carried out independently, by personnel unconnected with the project board/team, (a suggestion being the Improvement Team in Policy and Performance), and that they be carried out 9/12 months, or longer if appropriate, post full implementation, to allow benefits to be more accurately measured and reported to the Cabinet.**

**2.6 That the Cabinet ensures greater consistency in the budget monitoring of all Council programmes/projects, by implementing the SAP Project Systems and Investment Management Modules.**

**2.7 That the Cabinet implements measures in the procurement process to ensure that:**

- **Claims made by suppliers are challenged and verified.**
- **Payment schedules are linked to key milestones.**
- **Penalties for non delivery and poor performance are part of supply contracts, whenever feasible.**
- **Penalties are consistently imposed, where it is justified.**

Report Authorised by: Gideon Bull - Chair of Scrutiny Review Panel

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### **3. Executive Summary**

**3.1** The Overview and Scrutiny Committee (O&SC) decided to scrutinise the effectiveness of the management of key projects by the Council's IT Services department over the period 2003 – 2006, with a view to learning lessons from the past and agreeing any possible improvements for the future.

**3.2** To undertake this scrutiny the O&SC commissioned and convened an IT Scrutiny Review Panel made up of Members, which in turn appointed SOCITM Consulting as external reviewer. Their role was to carry out a review of selected projects via detailed discovery and analysis, as required to produce an evidence-based report to the Panel on past performance and recommendations for the future.

3.3 In conducting its review SOCITM Consulting has necessarily interacted with various Council Officers, and, as a courtesy, has provided them with a copy of its report.

**4. Reasons for any change in policy or for new policy development (if applicable)**

There is no change of policy directly recommended within this report.

**5. Local Government (Access to Information) Act 1985**

5.1 Terms of Reference documents.

5.2 Report from SOCITM Consulting on its findings from undertaking this review and its recommendations for future improvements.

**6. Introduction**

The Overview and Scrutiny Committee (O&SC) decided to scrutinise the effectiveness of the management of key projects by the Council's IT Services department over the period 2003 – 2006, with a view to learning lessons from the past and agreeing any possible improvements for the future. Terms of reference were agreed and are provided as Appendix A.

To undertake this scrutiny the O&SC commissioned and convened an IT Scrutiny Review Panel made up of seven Members. At its inaugural meeting the review panel decided that it would commission an independent, impartial and expert organisation to act as reviewer and to undertake discovery and analysis in relation to a number of set projects. It provisionally agreed Terms of Reference for the External Reviewer, these are attached as Appendix B.

**7. Selection of an external reviewer**

The Panel agreed the process for selecting and appointing the external reviewer and a shortlist of suitable organisations. The shortlist consisted of three candidates each of whom received from the interim Director of Corporate Resources, a Request for Proposal to be appointed as the external reviewer and the reviewer TOR.

The responses from the three short-listed candidates were as follows:

**i) University of Birmingham - Institute of Local Government (INLOGOV).**

No response, constructed as a lack of interest and declination;

**ii) Gartner Group.**

A statement that considerably more time would be required than that allowed in the external reviewer TOR and that the cost would be approximately £50,000, double the amount budgeted for, and therefore the candidate would not be submitting a proposal.

**iii) SOCITM Consulting.**

A proposal that followed the external reviewer TOR, albeit in doing so making some strong assumptions in order to meet the ambitious time limit set.

The interim Director of Corporate resources and the IT PMO Manager separately evaluated the SOCITM Consulting proposal using the criteria derived from the high level criteria agreed by the panel. Based on the evidence submitted, they advised that the proposal met the requirements to successfully deliver the external review and that therefore it did not materially affect the outcome of the selection process that only SOCITM Consulting submitted a proposal and that the process had secured value for money.

Following a presentation from SOCITM Consulting to the Panel and after a probing questions and answer session, the Panel was satisfied at SOCITM Consulting responses, their credentials and demonstrable ability to carry out the review and appointed them as the external reviewer on this review.

**8. External review report**

In June the Scrutiny Panel met to consider the report and to receive a presentation from SOCITM Consulting on their findings and conclusions. The report of SOCITM Consulting is attached as Appendix C in its entirety. The Panel welcomed the report which fulfilled the external reviewer TOR and agreed that it was an authoritative document that its conclusions were supported by appropriate evidence.

**9. A summary of the main SOCITM findings, with Scrutiny Panel commentary and recommendations**

**9.1 Project Management**

SOCITM found that the standard of project management displayed by the Council's IT Services department in the four projects reviewed was generally high, being in the top ten percent of performance for similar organisations known to SOCITM. Project management methodology was comprehensively documented.

**The Panel noted this performance was based on the four IT projects examined and the authorities of which SOCITM have experience, notwithstanding the Panel welcomed this information. The panel wished to ensure that the Council's Project Management Framework (PMF) was fully utilised across all council projects and that personnel serving on project boards and as project managers were sufficiently skilled and experienced, as without this no methodology would guarantee good governance.**

**Recommendation 1.**

**That the Cabinet ensures that Project Sponsors, Project Boards and Project Managers have the skills, knowledge and access to information to allow them to work effectively in order that projects are managed better in their totality.**

As agreed in the external reviewer's Terms of Reference, SOCITM did not investigate the project management of the Tech Refresh programme, as this has already been covered by the Audit Commission report previously seen by the IT Scrutiny Panel. As agreed at the Panel meeting of 23<sup>rd</sup> April 2007, SOCITM also did not overly focus on a review of the outcomes of Tech Refresh to the detriment of proper assessment of the other projects under review. However, based on feedback from the sponsors of the other projects reviewed, as well as general end-user feedback via the ITS Customer Survey of April 2007, SOCITM was able to conclude that genuine business benefit had accrued to the Council directly and indirectly from the delivery of the Tech Refresh programme.

SOCITM is satisfied that the failings of programme management in the Tech Refresh were not symptomatic of general project management failings, as evidenced by other reviewed projects that were running at the same time as Tech Refresh, and that the lessons of Tech Refresh have been learned, as evidenced by the subsequent In-sourcing programme.

## **9.2 Project Governance**

This was found to be good on all the projects reviewed, and the recommendation is that the Council notes the critical success factors in making this so and strives to ensure that they apply across all projects.

The level of resource spent on project governance in the In – Sourcing programme amounted to some 6% to 8% of total budget cost and a recommendation in the Programme Closure Report stated that this figure should be adopted as a 'norm' for all projects/programmes. This was considered to be at the high end for project governance and that the 'norm' would be more appropriately placed at a benchmark figure of 5%. This would not negate the requirement to assess a project governance budget on a project by project basis to ensure that a commitment is made on what was required to achieve a successful outcome and not reduce this investment unnecessarily.

**The panel recognised that there might be circumstance that would justify a higher level of spending on project governance (judged on a project by project basis), but they would like to the 5% 'norm' quoted to be adopted.**

#### **Recommendation 2.**

**That the Cabinet adopts and allocates 5% of total budget, as a 'norm', for project governance and that this only be exceeded when it can be justified.**

#### **9.3 Post-Implementation Review (PIR)**

A PIR is a review carried out independently of the project manager and project sponsor at a suitable time after project closure in order to confirm that the intended business benefits of the project are being realised, to suggest actions to be taken if they are not, and to identify opportunities to realise further benefits, perhaps through a follow-on project. The Council would benefit from more consistently carrying out PIRs for major projects, and perhaps for minor projects also.

**The Panel noted that the use of PIRs was inconsistent and that some were completed too soon after project completion to accurately gauge the benefits accrued. It concurred with the opinion that the process needed to be conducted independently to gain maximum benefit. Functionality was a key issue i.e. does the end product deliver the performance and do what was intended and has it achieved what was needed?**

#### **Recommendation 3**

**That the Cabinet ensures that Post Implementation Reviews are carried out on all appropriately sized Council programmes/projects and that they be carried out independently, by personnel unconnected with the project board/team (a suggestion being the Programme Management Office), and that they be carried out 9/ 12 months, or longer if appropriate, post full implementation, to allow benefits to be more accurately measured.**

#### **9.4 Budgetary Control**

While none of the projects reviewed in detail ran into budget control problems, and there is evidence that the In-sourcing programme adopted the recommendations in this area from the Audit Commission report, (e.g. Corporate Finance were represented at Project board and stream board level to provide challenge to budget setting and budget monitoring), there are still opportunities for more consistency and some process improvements. Budgets were monitored by Project Mangers on a day to day basis using their own spreadsheets reconciling periodically with the Council's SAP system. Spreadsheets were monitored centrally in ITS and reported to Corporate Finance.

Consideration should also be given to implementing SAP Project Systems and Investment Management modules, which have the potential to help in this area.



The Panel noted that on the projects assessed budgets seemed to be well managed, accurately recorded and reported in a timely manner. The Panel sought greater consistency in the methods and systems used for budget monitoring and welcomed the suggestion that SAP be utilised more fully.

**Recommendation 4.**

**That the Cabinet ensures greater consistency in the budget monitoring of all Council programmes/projects, by implementing the SAP Project Systems and Investment Management Modules.**

**9.5 Third Party Procurement & Management**

All the reviewed projects experienced some degree of difficulty with suppliers, which is not unusual in the public sector, and although this was always managed successfully so as to have minimum impact on the project, there is still an opportunity to avoid some of these difficulties in the future through strengthened supplier procurement and management processes.

**The Panel recognised that this was a notoriously difficult area but wished to ensure that the council used whatever leverage it can muster with suppliers. SOCTIM was encouraging the Council to be tougher with suppliers and more streetwise in its dealings with them. The Panel welcomed the fact that the procurement process and subsequent management of third party suppliers had improved significantly since the Tech Refresh programme and noted that there were further lessons still to be learned.**

**Recommendation 5.**

**That the Cabinet implements measures in the procurement process to ensure that:**

- **Claims made by suppliers are challenged and verified.**
- **Payment schedules are linked to key milestones.**
- **Penalties for non delivery and poor performance are part of supply contracts, whenever feasible.**
- **Penalties are consistently imposed, where it is justified.**

**The Panel also had a general discussion on the practicalities and possibilities of shared purchasing and shared systems and services with other local authorities or partners and others. The Panel recognised that it was outside of the remit of this review, but was of the opinion that this issue was in its infancy in Haringey, but was an area to be explored in detail as there were likely to be significant possibilities and benefit accruing.**

Relevant Senior Officers of the Council have reviewed the final report from SOCITM and accept the findings and recommendations subject to the recommendations of the IT Scrutiny Panel. Based on this direction, Senior Officers can assist by responding to the recommendations to the Cabinet and by putting together an action plan for implementing the recommendations agreed.

### **10. Proposed Future Actions**

- Scrutiny Panel agree recommendations in the report on 17 July 2007.
- Refer report to Overview and Scrutiny Committee on 30 July 2007.
- Refer scrutiny report to Cabinet on 18 September 2007.
- Cabinet Report responding to scrutiny recommendations 16 October 2007.

### **11. Comments of the Director of Finance**

The cost of the work of SOCITM Consulting on this review has been well within the £25,000 set aside for it, has been delivered as scheduled, and this cost has been contained within the existing ITS revenue budget for 2007/08.

The findings of the SOCITM report that directly affect Corporate Finance are accepted, and consideration will be given to implementing the recommendations contained within the report based on direction from the Panel.

Financial implications for recommendations to be adopted by the Cabinet will be included as part of the Cabinet Response to the scrutiny report.

### **12. Comments of the Head of Legal Services**

The monitoring arrangements either found to be in place or recommended as improvements to current practice are consistent with the legal obligations of the Council.

### **13. Equalities Implications**

There are no equalities implications.

## APPENDIX A

### Terms of Reference for Scrutiny Review Panel

#### Background

The Council commissioning the development of an Information Systems Strategy that would enable the Council to meet the future demands on IT to support the Council's objectives of improving services and the delivery of those services, and delivering its eGovernment agenda. One key component of this strategy was the 'Technology refresh', or 'ICT Infrastructure Refresh', which aimed to deliver the IT infrastructure and associated systems that would provide an appropriate platform for Haringey to fulfil its ambitions. Other key components were a number of individual IT projects that addressed specific service improvement goals and/or specific items on the eGovernment agenda.

The Council now wishes an independent review to be made of the success or otherwise of a representative sample of these programmes and projects leading to an objective assessment and recommendations for future improvements to the management and governance of IT projects specifically, and where findings are relevant, of Council projects in general.

#### Scope

Against the context of the Council's IS Information Technology Strategy as approved by the Council's Executive on 8<sup>th</sup> July 2003, in view of the Council's anticipated future demands on technology, and in support of the eGovernment Agenda, review:

1. Whether the new infrastructure and associated systems have enabled the meeting of the Council's objectives, e.g. the eGovernment Agenda and the delivery of improved services?
2. Whether a sample of individual projects intended to meet specific Council objectives met their own projects objectives and delivered the expected benefits, and whether they were delivered in line with the Council's Project Management Framework? (Selection of the sample of projects will be the responsibility of the external reviewer working to agreed Terms of Reference and subject to approval by the Scrutiny review Panel).
3. Whether the new infrastructure/systems and the outputs of other IT projects have left the Council better able to meet its future business requirements and whether the planned level of investment in ICT is sufficient to support the meeting of these requirements?
4. Considering the Technology Refresh programme specifically, and complementing but not repeating the Audit Commission's review, review:
  - Whether the technical solution chosen was an appropriate option to meet the objectives set for the programme?

- Whether the implemented solution meets the objectives set for the programme?
- How the solution performing and what is the customer perception?

## **Outputs**

1. An objective assessment of how well and how far the new IT solutions deliver against the IS/IT Strategy compared to other organisations of similar size and complexity?
2. Customer feedback
3. Recommendations for the future.

## **Approach**

The scrutiny review will be led by a Scrutiny Review Panel selected from Members and reporting to the Overview and Scrutiny Committee.

Given the large volume of specialist technical work required to deliver the outputs of this review, it is proposed that an external party with the required specialist skills be brought in to undertake this work under the high-level direction of the Scrutiny Review Panel.

The Scrutiny Review Panel will agree the Terms of Reference (ToR) for the external reviewer (see Appendix 2) and select the external party to be used (see section 6 of the main report). It will then provide high-level direction to the external reviewer during the course of the review, and receive the findings of the review in the form of a report and presentation from the external reviewer, with an opportunity for cross-examination.

It will be noted that the ToR imply that Council Members and officers will take certain actions to support the review.

The proposed high-level timetable for the review activities and milestones is given in section 7 of the main report. It is proposed that the review activities of the external reviewer be time-boxed to 15days over an elapsed timeframe of 5 weeks.

## **Membership of Scrutiny Review Panel**

The suggested membership of the Scrutiny Review Panel that will receive the findings of the external reviewer is as follows:

Cllr. Cooke (chair)  
Cllr. Bull  
Cllr. Dogus  
Cllr. Gorrie  
Cllr. Hare  
Cllr. Hoban  
Cllr Kober.

## **PROPOSAL FOR APPROACH TO THE SCRUTINY OF KEY PROJECTS DELIVERED BY HARINGEY IT SERVICES DURING THE PERIOD 2003 – 2006**

### **Terms of Reference for External Reviewer**

#### **Background**

Haringey Council ('the Council') commissioned the development of an Information Systems Strategy that would enable the Council to meet the future demands on IT to support the Council's objectives of improving its services and the delivery of those services, and delivering its eGovernment Agenda. One key component of this strategy was the 'Technology Refresh', or 'ICT Infrastructure Refresh', which aimed to deliver the IT infrastructure and associated systems that would provide an appropriate platform for Haringey to fulfil its ambitions. Other key components were a number of individual IT projects that addressed specific service improvement goals and/or specific items on the eGovernment agenda.

The Council now wishes an independent review to be made of the success or otherwise of a representative sample of these programmes and projects leading to an objective assessment and recommendations for future improvements.

[Note that in the rest of this document the term "reviewer" refers to the external party engaged by the Council to undertake the independent review, and where an individual pronoun is used to refer to the reviewer, it may equally apply to a team or corporate entity.]

#### **Purpose of this review**

The purpose of this review is threefold:

- To assess the success of the programmes and projects that are within its scope, measuring them against the specific criteria given, including comparisons with similar programmes and projects at other organisations of similar size and complexity to the Council.
- To make recommendations for specific actions that would improve ongoing benefits realisation for the assessed programmes and projects.
- To generalise from the range of programmes and projects reviewed in order to suggest enhanced processes and methodologies that could be applied to future programmes and projects to improve their chances of success.

The outcome of the review will be presented to the Council's Scrutiny Panel in the form of a formal report document, to be supported by a presentation by the reviewer to the Panel and an opportunity for the Panel to cross-examine the reviewer.

#### **Scope of review**

This review is required to assess a representative selection of programmes and projects completed by the Haringey IT Services department in the period August 2003 – January 2007. The list of candidate programmes and projects is given below and the reviewer is expected to select a minimum of four and a maximum of six that are to be assessed in addition to the Tech Refresh programme.

In selecting the additional programmes and projects for assessment, the reviewer is expected to select at least two for which comparative information from other organisations is available to the reviewer, with the comparison organisations to be used being subject to approval by the Scrutiny Panel.

- Tech Refresh – the Council-wide ICT infrastructure and systems refresh programme
- Insourcing – a programme to restructure the Haringey IT Services department in order to implement industry best practice at a level appropriate to and in support of the Council’s requirements
- eGovernment – a programme of work which included:
  - BVPI 157
  - eForms – 129 online business process related forms for internal and external use
  - Major redesign of Haringey website
  - New Homes for Haringey website
  - 54 Priority Service Outcome projects including:
    - E-Payments – online payments
    - eDemocracy – webcasting; electoral management system; minutes & agenda system
    - E-Planning – planning and building control
    - Enforcement – online licensing applications and register
    - Web GIS – property-related and street works information
- Major projects:
  - eCare – Framework-i implemented in Social Services
  - Siebel – implementation of Public Sector version of this CRM solution; transition of maintenance and support supplier from Serco to CapGemini
  - SAP – SRM4 implemented; “quick wins” delivered
  - Leisure Management System – replacement system at all 3 Haringey Sports & Leisure centres
  - LLPG – creation of corporate Local Land & Property Gazetteer (LLPG) and daily contribution to maintenance of National Land & Property Gazetteer
  - Property Management System – Manhattan system implemented for Facilities Management Helpdesk and Commercial

Note that the quality of the Tech Refresh programme’s governance and its adherence to the Council’s Project Management Framework methodology (Haringey PMF) up to mid 2005 has already been assessed and reported upon by the Audit Commission – this report will be one of the reference documents for the current review.

## **Review approach and review criteria**

Bearing in mind that the review is of the performance of specific individual programmes and projects leading to specific and general recommendations for the future, the approach covers the process for reviewing individual programmes/projects and the process for compiling the final report.

The general review approach will be similar for all programmes/projects reviewed, although the reviewer will be expected to adapt the specifics of the approach as appropriate for each programme/project in agreement with the other participants in the review process.

At the highest level the review approach will consist of gathering relevant information about each project, digesting this information, assessing the success of the project based on this information, and then reporting the results of the assessment.

As performance in applying the Haringey Project Management Framework (PMF) will be part of the assessment criteria, the reviewer will be expected to familiarise himself/herself with the main requirements of the Haringey PMF prior to beginning the review.

Where comparison is to be made with external programmes/projects, the comparative assessment should be clearly documented in a separate section of the assessment report.

The reviewer will be expected to plan the review of each project so that key project personnel and other relevant parties can be made available to provide the necessary input to the review while ensuring the minimum distraction from their day-to-day duties.

The general approach and high level criteria for each project are expected to be as follows:

(Note that in the following steps 1 – 7 the reviewer will be able to gather verbal input from the relevant parties as well as reviewing the relevant documents.)

1. The reviewer will gain an understanding of the objectives of the project and the high-level specifications for the main project deliverables through a review of the relevant project documentation, e.g. PID, product descriptions/specifications.
2. The reviewer will examine sample products of the project management process, e.g. highlight reports, project plan, risk and issue logs, change control logs and lessons learned logs, in order to assess the effectiveness with which the Haringey PMF was applied to the project.
3. The reviewer will examine the main outputs (deliverables) of the project to assess the extent to which they met their specifications and the objectives of the project.
4. Where comparative information is available from other organisations, the reviewer will make the relevant comparisons and document the outcomes.
5. The reviewer will assess customers' satisfaction with the delivered outputs where customer feedback is readily available, e.g. in the form of customer surveys that have already been completed.
6. The reviewer will assess the extent to which the intended benefits of the project have been realised, and/or the plan for further realising them in the future.
7. The reviewer will prepare a short report on the findings of the review including any recommendations for improving the realisation of the project's intended benefits.

In the case of the Tech Refresh programme and only this programme, the following additional criteria are also to be used:

- Appropriateness
  - Comparison of current objectives and requirements with originally envisaged objectives and requirements.
- Effectiveness
  - Agreed objectives compared with programme outcomes (what was desired and what was achieved)
  - Agreed requirements compared with programme outcomes (more specific than objectives)
  
  - Extent to which agreed objectives and requirements changed from the original to the final and on what basis this was justified
  - To provide additional programme quality assurance the Insourcing programme that has followed on from the Tech Refresh programme has instituted a series of 3<sup>rd</sup> party independent challenges to its programme approach. These cover the following areas and therefore may be relevant input to this review:
    - Microsoft challenge to the legacy environment decommissioning and migration approach – the approach is highly dependent on the fitness for purpose of the new environment implemented by Tech Refresh
    - itSMF and British Computer Society challenges to the approach to ITIL implementation and staffing within the restructured IT Services organisation – the approach is partly dependent on the new environment providing increased efficiency and effectiveness in system management.
    - Internal Audit challenge to the approach to programme governance and budget management (in part a comparison with the Haringey PMF) – the approach taken in the Insourcing programme is seen as a continuation, with some improvements based on lessons learned, of the approach taken in Tech Refresh.
  - To provide operational quality assurance Microsoft have been conducting audits of how various core infrastructure components have been implemented by Tech Refresh. So far the following components have been audited and the reports on these are available to this review:
    - Active Directory
    - Exchange Server
    - Efficiency
  - Extent of implementation compared with targets.



A comparison with suitable external programmes/projects is mandatory for the Tech Refresh programme.

Once the short assessment reports for the reviewed programmes and projects have been completed, they will provide the basis for creating the final report to the Scrutiny Panel containing an overall assessment of programme/project performance and making recommendations for future improvements. For reference the short assessment reports will be included as an appendix to the final report.

### **Key Assumptions**

In order to produce these outputs it is assumed that:

- The review will be time boxed to 15 days over an elapsed timeframe of 5 weeks
- The required personnel will be made available to contribute to the interviews (limited to core project team and subject to availability and reasonable demand on time)
- Suitable comparative information will be obtained regarding relevant programmes/projects at comparable organisations.
- Progress reports will be provided at key stages of the review (subject to further discussions)
- A presentation of key findings will be made to panel with opportunity for cross examination (subject to further discussions)
- The above outputs will be completed by dd/mm 2007, subject to further review and discussions



**Haringey Council  
Review of Programmes and Projects  
Project Report – Summary**

19.06.2007, reference: 6099 Project report - Summary.1.3

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## Revision history

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6099PROREPSUM.1.0	Draft	14.06.2007	Initial issue	Martin Green
6099PROREPSUM.1.1	Draft	18.06.2007	Includes client comments	Martin Green
6099PROREPSUM.1.2	Draft	18.06.2007	Further client comments	Martin Green
6099PROREPSUM.1.3	Final	19.06.2007	Including Appendices	Martin Green

- Document approvals and distribution.

Issuing email file reference and date <sup>1</sup>	Issued to which approvers	Approving email file references and dates	Approval status
	Tim Dauncey		Awaited
	Jay Paramarathan		Awaited
	David Airey		n/a
	Doug Maclean		Awaited

<sup>1</sup> This is the explanatory email file name and date (from Socitm) to which the deliverable version was attached, which email explains what the issue /variation is about and asks for approval where needed

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## **1 INTRODUCTION**

### **1.1 Background**

1.1.1 The Council wished an independent review to be made of the success or otherwise of a representative sample of programmes and projects leading to an objective assessment and recommendations for future improvements.

1.1.2 The purpose of this review is threefold:

- To assess the success of the programmes and projects that are within its scope, measuring them against the specific criteria given, including comparisons with similar programmes and projects at other organisations of similar size and complexity to the Council.
- To make recommendations for specific actions that would improve ongoing benefits realisation for the assessed programmes and projects.
- To generalise from the range of programmes and projects reviewed in order to suggest enhanced processes and methodologies that could be applied to future programmes and projects to improve their chances of success.

### **1.2 Purpose of Report**

1.2.1 The outcome of the review will be presented to the Council's Scrutiny Panel in the form of this formal report document, to be supported by a presentation by us to the Panel and an opportunity to be cross-examined by the Panel.

1.2.2 This report brings together the findings and recommendations contained in the individual reports produced for each of the selected programmes and projects which were:

- In-sourcing;
- e-Planning;
- e-Care;
- Siebel (CRM).

1.2.3 The Panel requested us not to repeat the detailed analysis of the Tech Refresh programme carried out by the Audit Commission. Rather they were seeking a view as to whether the failings of that programme were symptomatic of other projects and whether the lessons had been learned.

1.2.4 Perceptions of the longer-term benefits of the Tech Refresh programme have been assessed as part of the review of the projects/ programmes as above, all of which were impacted to a greater or lesser degree by the outcome of the Tech Refresh programme.

### 1.3 Approach

1.3.1 Socitm *Consulting* was provided with a wide range of documents for each of the selected programmes and projects comprising:

- Business Case;
- Project Brief;
- Project Initiation Document (PID);
- Project Plan;
- A sample of Project Board documents including:
  - Agenda
  - Minutes
  - Highlight Reports which include:
    - ❖ Risk Logs
    - ❖ Issue Logs
    - ❖ Budget Reports
- Closure Reports
- Post Implementation Review (PIR)

1.3.2 Other cross-cutting documents reviewed included:

- The Council's Project Management Framework (PMF);
- Sample reports to Customer Focus Stream Board
- Audit Commission's Review of Project Management, based on the Tech Refresh programme.

1.3.3 The review of documents was followed by interviews with key stakeholders for each of the selected programmes and projects. These were the Project Manager and Project Sponsor where these were still available or appropriate deputies where not.

1.3.4 All areas of project management were examined with particular attention being paid to those areas where failings were identified by the Audit Commission, including:

- Project governance;
- Change control
- Corporate finance overview, including:
  - Scope creep;
  - Budget authorisation;
  - Costing of changes
- Benefits Realisation

## **2 FINDINGS**

### **2.1 General**

- 2.1.1 In general project management/ governance (based on the 4 projects we examined) is considered to be very good and certainly in the top 10% of local authorities of which we have experience.
- 2.1.2 As with any complex area of management improvements can always be made. We outline below areas of strength and also areas where we believe such improvements could be made.

### **2.2 Project Governance**

- 2.2.1 One of the reasons why the Tech Refresh programme failed so significantly was a lack of a formal governance methodology and structure.
- 2.2.2 There are a number of project management methodologies but PRINCE2 (Projects IN a Controlled Environment), originally created to assist in the management of Government projects, is by far the most commonly adopted.
- 2.2.3 The Council has implemented a Project Management Framework (PMF) which has been through a number of iterations. We reviewed the Framework which is very much based on PRINCE2 and is comprehensively documented.
- 2.2.4 There is evidence that the PMF is updated from 'lessons learned' from each project and programme. There is also clear evidence in those projects/ programmes we assessed that it is fully utilised (though pragmatically adjusted to meet individual project requirements).
- 2.2.5 Although some Project Sponsors admitted that the PMF initially seemed an excessive bureaucracy, they also believed that its use made governance more professional and better informed management.
- 2.2.6 Those projects/ programmes we assessed appear to have been well managed via Project Teams/ Boards. They are believed to have had committed representation on the Project Boards which led to issues and risks being managed through to resolution.
- 2.2.7 The Council appear to have a group of skilled and experienced Project Managers together with committed senior user personnel. Without this no methodology will ensure good project governance.
- 2.2.8 The level of resource spent on project governance in the In-sourcing programme amounted to some 6 – 8% of total budget cost and a recommendation in that Programme Closure report stated that this should be adopted as a 'norm' for all major projects/ programmes. It seems to us that 8% is at the high end for project governance but can understand why it was considered necessary given the importance of this programme and previous experience of such a major programme. Nevertheless we believe that an assessment of the project governance budget should be assessed on a project by project basis. We also believe, however, that the Council needs to remember what was required to achieve a successful outcome and not seek to reduce this part of the investment unnecessarily.

### **2.3 PIR**

- 2.3.1 The Council's PMF makes reference to a Project Implementation Review (PIR) being carried out within about 6 months of Project Closure but these have not been done.



- 2.3.2 The Project Closure reports are well put together and outline areas which were done well and those less well leading to a 'lessons learned' section feeding back into an update to the PMF. This describes very well the mechanics of the project. It is, however, too close to the go-live date to evaluate any ongoing issues, the support functions, the adequacy of the system, the longer term business improvement measures supposedly achieved etc. etc.
- 2.3.3 In addition a PIR should be carried out by personnel outside the project board/ team though members of the board/ team would inform the PIR process. We believe that a PIR should challenge assumptions that, successful delivery of the project/ programme, necessarily, results in maximisation of benefits.
- 2.3.4 In addition for many projects/ programmes benefits cannot be accurately measured until several months after closure.

### **2.4 Budgetary Control**

- 2.4.1 In all the projects/ programmes that we assessed Budgets seemed to be:
- Well managed;
  - Accurately recorded; and
  - Reported in a timely manner.
- 2.4.2 The Council's response to the Audit Commission's Review of Project Management stated 'inter alia' that Corporate Finance would be represented at Project Board and Stream Board level to provide challenge to budget setting and budget monitoring.
- 2.4.3 Budgets were monitored on a day to day basis by Project Managers using their own spreadsheets reconciling periodically with SAP. These spreadsheets are monitored centrally within ITS by the Development Programme Manager and reported regularly to corporate finance. The process still relies on the competence of the Project Manager.
- 2.4.4 In later projects/ programmes that we assessed corporate finance was represented on project/ programme boards and, in the case of the Insourcing Programme made a significant contribution to a budget monitoring model. The intention seems to be for this model to be used as 'best practice' and adopted for all future major projects/ programmes. This is in line with the Council's documented response to the Audit Commission report on Tech Refresh project management failings.
- 2.4.5 Earlier project reviewed by us were completed or largely completed before the Council received the Audit Commission report and, therefore its proposals had not been adopted. However the projects we assessed were delivered on budget or were expected to be delivered on budget.

## **2.5 Third Party Procurement & Management**

- 2.5.1 A recurring theme across the selected projects was problems and issues with third parties. These were nothing like as serious as with the Tech Refresh programme but nevertheless caused disruption of the projects at various levels.
- 2.5.2 Suppliers are notorious for becoming 'overstretched' and have difficulty delivering in accordance with their sales 'pitch' (this seems to apply to all suppliers). Local authorities have generally struggled to negotiate contracts with third party suppliers containing appropriate levels of penalties.
- 2.5.3 The procurement process and subsequent management of third party suppliers has improved significantly since the Tech Refresh programme. However, there are still lessons to be learned:
- Claims by suppliers have not always been verified;
  - Payment schedules have not always been linked to milestones;
  - Penalties have not always been included
- 2.5.4 Assessment of the procurement process in Closure Reports is restricted to whether the process was completed in time rather than the effectiveness of the process to get what the Council was expecting and the capabilities of the supplier to deliver.

## **2.6 Miscellaneous**

- 2.6.1 Assessment of projects at closure tend to be based on whether projects were delivered on time and on budget. In some projects there is little real and measurable assessment of business benefits (i.e. did the project help the business achieve appropriate service improvements).
- 2.6.2 The concurrent implementation of the projects/ programmes we assessed with Tech Refresh clearly caused problems. Some issues with the projects were confused with the Tech Refresh. We are not going to repeat analysis of the Tech Refresh but it is interesting to note that project sponsors have consistently expressed the view that the stability and capacity of the 'thin client' infrastructure shows a significant improvement on the previous environment. This is also supported by the latest ITS Customer Satisfaction Survey where satisfaction levels show continuing improvement.
- 2.6.3 It is also clear that the Council would have had far greater problems in implementing the successful e-Government programme in the previous inconsistent desk-top environment.

### **3 RECOMMENDATIONS**

#### **3.1 Project Governance**

- 3.1.1 The PMF is one of the most comprehensive we have seen in use in local government and needs to be maintained to ensure it remains so. The Council also needs to recognise that proper governance still relies heavily on the skills and experience of key staff.
- 3.1.2 The level of resource required to govern projects/ programmes needs to be set at the start of the project (i.e. in the PID) but needs to be at sufficient level to ensure projects are delivered in a professional manner.

#### **3.2 PIR**

- 3.2.1 Closure Reports addressed a number of 'lessons learned' and made recommendations. These are, however, much to do with the success or otherwise of the project delivery. A PIR carried out some months after project closure and by independent personnel should be challenging and assess whether objectives have been achieved and benefits maximised. A PIR carried out as described above has a number of benefits, including:
- Confirmation or otherwise of the ongoing efficacy of the project;
  - Identification of any ongoing issues;
  - Identification of savings (costed); and
  - Objective service improvement measurements.
- 3.2.2 A PIR also provides an opportunity to identify further options or phases which might enable the project to deliver greater benefits.
- 3.2.3 We recommend that PIRs be carried out for all major projects which should be scheduled and managed by an independent group within the Council (e.g. Corporate PMO).

#### **3.3 Budgetary Control**

- 3.3.1 If project budget monitoring is to continue to be mainly via Project Managers' spreadsheets there should be a 'standard' to be used and a defined way of using it. They should be reconciled on a regular basis, with SAP reports, under supervision of Corporate Finance, prior to reporting to Project Boards.
- 3.3.2 We are always concerned where budget monitoring is carried out by 'shadow' accounts (i.e. spreadsheets) which are outside the corporate financial monitoring process. SAP has a 'project' module which is capable of monitoring project expenditure based not just on actuals but on budget commitments (e.g. pre-defined stage payments to suppliers). We understand that the Council is considering implementing such a module from which real benefits should accrue, and we commend this approach.

#### **3.4 Third Party Procurement & Management**

- 3.4.1 Claims by suppliers should always be verified, by site visit, references, or demonstration
- 3.4.2 Payment schedules should be negotiated that are linked to delivery milestones.

- 3.4.3 Penalties should be negotiated wherever possible. This is usually only possible where competitive tension still exists in the procurement process and needs, therefore, to be considered by the business unit at an early stage of the process. It is unlikely to be successful where a monopoly exists or where the Council has already made its decision in principle. It is also unlikely to be successful where the supplier is relatively small as any imposition of significant penalty would effectively put it out of business.
- 3.4.4 The procurement section of Closure Reports should assess the suitability of the supplier, the product and quality of delivery as well as the assessment of the procurement process itself.

### **3.5 Miscellaneous**

- 3.5.1 The benefits realisation assessment should include a greater degree of statistical measurement of business service improvements. This should be part of the PIR.

## **Appendices**

The summary findings and recommendations reported above are based on the findings and recommendations arising from review of four individual projects:

- CRM (Seibel)
- eCare
- e-Planning
- Insourcing

The following appendices contain the reports on these individual projects.

## Appendix 1 - CRM (Siebel)

### 1 BACKGROUND

#### 1.1 Purpose of report

- 1.1.1 Socitm *Consulting* was contracted to carry out a review of a representative selection of programmes and projects completed by the Haringey IT Services department in the period August 2003 to January 2007.
- 1.1.2 This report summarises the review of one such project (i.e. CRM (Siebel)). The purpose of the report is to::
- Assess the success of the project measuring it against the specific criteria, including comparisons with similar projects at other organisations of similar size and complexity to the Council;
  - Make recommendations for specific actions that would improve ongoing benefits realisation for the assessed project.

#### 1.2 Project

- 1.2.1 The purpose of the project was to implement a new Citizen Relationship Management (CRM) solution using Siebel 7.7 Public Sector product, that will form the platform for achieving the vision and objectives detailed in the Customer Services Business Plan 2005 – 2008. was an integral part of the Council's e-Government work programme complying with the ODPM requirements.
- 1.2.2 There were 4 versions of the software implemented over 2 years but this report concentrates on Release 1 which was started in May 2005, was completed in December 2005 and had a budget of some £1.4m.

#### 1.3 Findings

- 1.3.1 The scope of the project is shown at Section 2 and the findings of our review are outlined in Sections 3 to 5. The conclusions, however, are summarised below to provide, effectively, a management summary within this section.

#### 1.4 Conclusions

- 1.4.1 The initial selection of Capgemini and contract signing were carried out before either of the interviewees of this assignment was appointed to this project. It is difficult, therefore, to be certain as to whether the Council could have prevented the issue relating to lack of resource for data migration which occurred.
- 1.4.2 Release 1 was governed under the Council's PMF and has been very well documented providing the Project Board with all appropriate information to address issues, resolve problems and drive the project forward.
- 1.4.3 The allocation of a qualified and full time Project Manager together with Change Management personnel is considered an essential element to the success of both phases.
- 1.4.4 Though the budget was managed effectively and costs kept within budget it is not quite clear how this was monitored by corporate finance (in accordance with the Audit Commission review).

- 1.4.5 Although a detailed report on performance against objectives carried out 6 months after project closure outlines service improvements achieved, a full Project Initiation Review (PIR) has not been carried out and could be used to provide a more detailed and considered assessment of benefits realisation over a longer term. The Project Closure Report indicated areas still outstanding which were to be addressed. A PIR could evaluate the further improvements arising from that action.

### **1.5 Recommendations**

- 1.5.1 There are no recommendations specific to this project. General recommendations appropriate across all projects are given in our overarching report.

## 2 PROJECT SCOPE & OBJECTIVES

2.1.1 The objectives of the project were:

- Implement Siebel 7.7 Public Sector as the new CRM technology platform (providing a stable CRM platform from which to build)
- Eliminate the performance problems previously experienced with the use of SmartScripts (and take advantage of performance improvements in the Siebel 7.7. product, reported by Siebel)
- Improve the quality of data in the CRM system by cleansing the data and reducing duplication
- Migrate all relevant data and ensure historical data is maintained
- Provide more accurate reporting
- Centralise access to information
- Provide the ability to handle inbound structured emails (i.e. those received via the web through eForms) and unstructured emails (from Customers) both inbound and outbound through Siebel
- Ensure that the implementation conforms to Siebel best practice by utilising 'vanilla' functionality where possible, storing data in the most appropriate places and the use of appropriate functionality to meet specific requirements(e.g. use of Correspondence for the Receipting report)



### **3 PERSONAL PERSPECTIVES**

#### **3.1 Project Manager**

- 3.1.1 The CRM project started with the procurement of a systems integrator (Capgemini). This procurement exercise was prior to the project manager starting at the Council.
- 3.1.2 The existing Siebel system had been built for the Council by ITNet (now SERCO) which had been supported by them for some three years. A system review by Siebel had criticised that build stating that:
- The Smart Scripts were overly complex;
  - They do not follow Siebel's best practice;
  - Design of scripts results in repeat questions etc.
- 3.1.3 A "Siebel Justification" document was produced which sought to validate the business case and reasons for implementing a new version and also validate its use on a Citrix thin client platform.
- 3.1.4 Relationships with SERCO were somewhat strained and presented a challenge to manage the transfer;
- 3.1.5 The Release 1 project was managed using the Councils Project management Framework.
- 3.1.6 The Project Board was chaired by the Project Sponsor and met when necessary (normally monthly but anytime in emergency). Attendance was consistent and decision making considered to be supportive.
- 3.1.7 Relationships with Capgemini were generally very good. However Capgemini were unable to make appropriate resources available at the data migration stage which caused a delay of 2-3 weeks. Capgemini recognised this as an issue and made additional resources available at their cost.
- 3.1.8 Tech Refresh impacted on the project as the system had to be made to work in both thin client and thick client environments.
- 3.1.9 The budget was managed by the Project Manager using a spreadsheet which was 'aligned with' actuals as per SAP reports. Was not aware of any involvement of corporate finance.

#### **3.2 Project Sponsor**

- 3.2.1 This personal perspective was provided by the deputy project sponsor as the original project sponsor has left the Council.
- 3.2.2 The project was delivered on budget and with a delay of only 3 weeks.
- 3.2.3 IT was seen as very supportive but felt that Customer Services (CS) had to be the driver (perhaps more than expected).
- 3.2.4 The key resource was deemed to be the Capgemini Business Analyst whose knowledge/ skills etc were considered excellent.
- 3.2.5 Expectations were that the replacement system would be much faster and follow improved scripts to provide an improved service to the customers. This was delivered but some improvements have not been pursued such as full integration with iWorld.

- 3.2.6 The new system is very localised and customised to fit the Council's requirements but within the 'vanilla' implementation. This should enable further versions to be implemented without re-building the system.
- 3.2.7 Project governance was deemed to be successful being managed via a Project Board chaired by the Project Sponsor. Attendance was consistent and committed. Documentation standards were not considered to be oppressive but aided project governance.
- 3.2.8 Statistics show that there has been a significant improvement in the performance of Customer Services.

## 4 DOCUMENTARY EVIDENCE

### 4.1 Background

4.1.1 Whilst taking into account key stake-holders' views of how the project was managed a significant part of the assignment was to assess the documentary evidence which might either support or counteract those views. A comprehensive set of documents were requested to be viewed and assessed, where available, including:

- Business Case;
- Project Brief;
- Project Initiation Document (PID);
- Project Plan;
- Project Board
  - Agenda
  - Minutes
  - Highlight Reports
  - Risk Logs
  - Issue Logs
  - Budget Reports
- Closure Reports
- Post Implementation Review (PIR)

### 4.2 Comments

4.2.1 We have not seen a Business Case but instead a "Siebel Justification Discussion Document".

4.2.2 A PIR has not been carried out.

4.2.3 Other than as noted above all documents relating to Release 1 were produced in line with the Council's PMF.

4.2.4 The Project Brief clearly described the scope of the project and its major aims and objectives. This was subsequently followed by a PID which provided a clear plan of how the project was to be delivered, including roles of third parties.

4.2.5 The Project Board was provided with regular, concise but comprehensive reports including Highlight Reports using the Red/ Amber/ Green (RAG) methodology. Decisions made by the Project Board are well recorded in Minutes and a clear audit trail is available.

4.2.6 Budget reports are clear but were based on the Project Manager's spreadsheet reconciled with the Council's corporate finance system (SAP) but there is no evidence of corporate finance monitoring.

4.2.7 Issue Logs were comprehensive and ensured that issues remained on the agenda until addressed rather than being 'lost' in the plethora of Project Board minutes.

4.2.8 A Risk Log was maintained which identified major risks.

4.2.9 The Closure Report for Release 1 refers to a PIR Session and includes as an Appendix a summary of the 'Lessons Learned'. The main issues appear to be around problems within the testing regime.

4.2.10 A full PIR should be carried out at a later date (some 6 months later) than the closure report and has a number of benefits, including:

- Confirmation or otherwise of the ongoing efficacy of the project;
- Identification of any ongoing issues;
- Identification of savings (costed);
- Identification of ongoing conformance with business performance targets;
- Potential further developments.

## 5 COMPARATORS

### 5.1 Outline

- 5.1.1 Socitm *Consulting* has been supporting local government clients for many years including many assignments relating to implementation of CRM systems. We have been asked to compare Haringey's CRM implementation project with best practice derived from that experience.
- 5.1.2 Documentation and project governance conformed to the Council's PMF to provide a professional, robust and well documented project support function comparing very favourably with best practice.
- 5.1.3 The effectiveness of the Project Sponsor, Project Manager and key stakeholders equally appear to match best practice.
- 5.1.4 Delivery by third-party suppliers has been less effective. Many, if not all, other local authorities have difficulty with negotiating robust contracts with suppliers. It is not surprising that co-operation was not particularly forthcoming from SERCO but appears to have been reasonably well managed. However the ability of Capgemini to provide appropriate levels of programming and/ or data migration resource should have been tested more thoroughly before signing contracts. The issue, though, appears to have been managed to resolution.

## Appendix 2 - eCare

### 1 BACKGROUND

#### 1.1 Purpose of report

- 1.1.1 Socitm *Consulting* was contracted to carry out a review of a representative selection of programmes and projects completed by the Haringey IT Services department in the period August 2003 to January 2007.
- 1.1.2 This report summarises the review of one such project (i.e. e-Care). The purpose of the report is to::
- Assess the success of the project measuring it against the specific criteria, including comparisons with similar projects at other organisations of similar size and complexity to the Council;
  - Make recommendations for specific actions that would improve ongoing benefits realisation for the assessed project.

#### 1.2 Project

- 1.2.1 The original brief was to assess the second phase of the e-Care project which was chosen, in part, because it is ongoing. However, on interviewing the project manager it seemed to us that this would be more helpful if we reviewed Phase 2 in the context of Phase 1. Phase 2 of this project has a budget of some £1.1m, started in August 2006 and the first stage is due for completion in October 2007.
- 1.2.2 Initially the e-Care Phase 1 project was to include implementation of a finance module but this was never delivered by the supplier. This module has been postponed until its availability and incorporated into e-Care Phase 2. Additional pilot project elements were added, being:
- Investigation of mobile working; and
  - Consideration of full Electronic Social Care Records (ESCR) compliance.

#### 1.3 Findings

- 1.3.1 The scope of the project is shown at Section 2 and the findings of our review are outlined in Sections 3 to 5. The conclusions, however, are summarised below to provide, effectively, a management summary within this section.

#### 1.4 Conclusions

- 1.4.1 In Phase 1 the council 'outsourced' project management of the contract tendering and procurement process to an external consultancy.. This resulted in an applications software supplier being selected. Once the contract had been awarded, the actual 'project implementation' of phase 1 was undertaken by an internal project manager, and shortly after this time, a number of issues were subsequently identified:
- It transpired that a major module (Finance) had not been built though the supplier had stated that it existed;
  - The supplier submitted an implementation schedule which was impractical to be delivered;

- The supplier submitted a workplan involving their Project Management resource which was not capable of being delivered.

- 1.4.2 Once the Council assigned an internal professional Project Management resource the above failings were identified and the project was re-scoped into 2 Phases.
- 1.4.3 Phase 1 was governed under PRINCE 2 guidelines as the Council's PMF had not been fully implemented at that time. Phase 2 is now being governed within the PMF guidelines. Both phases, though governed under different regimes have been or are being, very well documented providing the Project Board with all appropriate information to address issues, resolve problems and drive the project forward.
- 1.4.4 The allocation of a qualified and full time Project Manager together with Change Management personnel is considered an essential element to the success of both phases.
- 1.4.5 Though the budget was managed effectively and costs kept within budget it is not quite clear how this was monitored by corporate finance (in accordance with the Audit commission review). The project governance arrangements in both Phases 1 and 2 ensured that the project budget was monitored and reported to corporate finance on a monthly basis. In addition to this, the Project sponsor reported any budgetary issues within the corporate budget monitoring process.
- 1.4.6 Lessons appear to have been learned from the initial procurement and a much tighter contract has been negotiated for Phase 2 with payments being made on delivery and with contract credits due on late delivery. It is not clear whether these lessons are because of experience of this particular supplier or whether those lessons will be applied to other projects. The supplier was financially penalised in Phase 1 for non-delivery of the finance module. In addition to this, certain payments due in Phase 1 were withheld and subsequently paid in Phase 2 upon satisfactory completion of project milestones.
- 1.4.7 The Project Closure Report for Phase 1 of this project was not as comprehensive as others. Detailed assessment of benefits realisation is somewhat lacking. However a decision was taken at the time focus would be on lessons that could be learnt from Phase 1 specifically in readiness for the proposed initiation of Phase 2. These lessons along with a number of other key factors were considered as part of the feasibility study conducted for Phase 2. Tangible financial savings and performance efficiencies have been realised from the Phase 1 implementation.
- 1.4.8 A Post Implementation Review (PIR), as described in our summary report has not been carried out and could be used to provide a more long-term assessment of the benefits realisation.

## 1.5 Recommendations

- 1.5.1 There are no recommendations specific to this project. General recommendations appropriate across all projects are given in our overarching report.

## 2 PROJECT SCOPE & OBJECTIVES

2.1.1 The scope of the project is:

- Implementation of Corelogic's Framework (FWi) Finance 'Purchasing module as a first stage;
- As a second stage implementation of partial or full functionality available within the FWi Payments Module and potential integration with SAP;

2.1.2 The project scope, therefore, for the first stage of Phase 2 covers:

- Implementation of the FWi Purchasing Module to staff in Social and Children's services;

- Decommissioning of the existing finance system (FIFI);
- Implementation of one single interface to populate SAP with new Purchase Orders (Pos) created on FW1 – all amendments to existing Pos and payments will continue to be processed manually and paid from SAP;
- Potential implementation of the Business Objects 'FINANCE' universe.

## 3 PERSONAL PERSPECTIVES

### 3.1 Project Manager

- 3.1.1 The e-Care Phase 1 project comprised the appointment of a supplier (Corelogic) of a web-based social care client record system (Framework (FWi)) to replace a predominantly paper-based system. The assignment of the Project manager came after the contract signing and the first task was to review the schedules and predicted milestones.
- 3.1.2 The contractual schedule was considered to be unrealistic. In addition the Financial Module was not going to be implemented within the timescales it did not actually exist. The suppliers had not started its design and build. The only way to deliver the client record system within a reasonable timescale was to postpone the implementation of the Finance Module until a later Phase 2. Only then was Phase 1 able to 'go live' on time and on budget.
- 3.1.3 The Phase 1 project was managed using PRINCE2 principles based on the experience of the Project Manager as the Council's PMF had not then been fully finalised.
- 3.1.4 Phase 1 faced a number of issues which included:
- Supplier having difficulty in delivering all aspects of the applications software;
  - Financial module did not exist;
  - Constant changes to / late delivery of software made systems testing a significantly greater issue than normal;
  - Tech Refresh impacted on implementation;
- 3.1.5 Procurement of Phase 2 was much improved having learnt the lessons of Tech refresh and of Phase 1. Contracts with suppliers include payment schedules based on delivery against realistic project milestones, with appropriate penalties for non or late delivery.
- 3.1.6 The Project Board is chaired by the Project Sponsor and meets monthly in line with current project governance arrangements.. Attendance is consistent and decision making considered to be supportive. Major issues were taken up by the board and senior management got involved in resolving issues, particularly with suppliers.
- 3.1.7 The budget is managed by the Project Manager using a spreadsheet and reports from SAP.

### 3.2 Project Sponsor

- 3.2.1 The procurement process in Phase 1 was completed before the Project Manager and Project Sponsor had been appointed. The project had to be re-scoped to defer implementation of the finance module to a Phase 2 and reschedule what then became Phase 1 in light of the failures of the supplier.
- 3.2.2 After the re-scoping and rescheduling of the project it was then delivered on-time and on budget.



- 3.2.3 The supplier was believed to have considered the Council to be PRINCE2 obsessed. Haringey is now seen by the same supplier as a centre for excellence and the project achieved a London Connects Award.
- 3.2.4 The Tech Refresh Programme affected the project through the change of infrastructure being implemented at the same time as the e-Care project was being implemented. The main problems were around the delays in timing and fragility of the new infrastructure. However the 'thin client' infrastructure is now seen to be more stable and easier to maintain.
- 3.2.5 The major problems, apart from poor delivery from the software supplier, were around the huge change management programme with many staff having limited experience of IT.
- 3.2.6 Project governance was deemed to be successful being managed via a Project Board chaired by the Project Sponsor. Attendance was consistent and committed. Documentation standards were not considered to be oppressive but aided project governance.
- 3.2.7 Experience of Phase 1 has resulted in an improved approach to Phase2 including:
- Knowledge of the supplier;
  - Tighter contract with supplier;
  - Appreciating the value and benefit of having a structured change management programme running in parallel with the project systems implementation.
  - Understanding of effort required to describe existing processes;
  - More confident user base;
  - More challenging user base;
- 3.2.8 There is great confidence that Phase 2 will be delivered on time and to budget.

## 4 DOCUMENTARY EVIDENCE

### 4.1 Background

4.1.1 Whilst taking into account key stake-holders' views of how the project was managed a significant part of the assignment was to assess the documentary evidence which might either support or counteract those views. A comprehensive set of documents were requested to be viewed and assessed, where available, including:

- Business Case;
- Project Brief;
- Project Initiation Document (PID);
- Project Plan;
- Project Board
  - Agenda
  - Minutes
  - Highlight Reports
  - Risk Logs
  - Issue Logs
  - Budget Reports
- Closure Reports
- Post Implementation Review (PIR)

### 4.2 Comments

4.2.1 The following documents were not available:

- Business Case (replaced by Feasibility Study for Phase 2);
- PIR (not carried out for Phase 1).

4.2.2 Other than as noted above all documents relating to Phase 1 were produced broadly in line with PRINCE 2 as the Council's PMF had not been finalised. Phase 2 is being governed within the PMF guidelines.

4.2.3 The Phase 2 Project Brief clearly described the scope of the project and its major aims and objectives. This was subsequently followed by a PID which provided a clear plan of how the project (comprising 2 stages) was to be delivered. The PID is considered capable of informing the whole process up to and including closure and PIR where benefit realisation can be assessed.

4.2.4 The Phase 2 Project Board is being provided with regular, concise but comprehensive reports including Highlight Reports using the Red/ Amber/ Green (RAG) methodology. Decisions made by the Project Board are well recorded in Minutes and a clear audit trail is available.

- 4.2.5 Budget reports are clear but were based on the Project manager's spreadsheet. There is no evidence of reconciliation with the Council's corporate finance system (SAP) but there is no reason to believe that there will be any problems arising from that.
- 4.2.6 Issue Logs ensure that issues remain on the agenda until addressed rather than being 'lost' in the plethora of Project Board minutes.
- 4.2.7 A Risk Log is maintained which identifies major risks.
- 4.2.8 The Closure Report for Phase 1 identifies 'lessons to be learnt' but does not show a comprehensive comparison between originally envisaged benefits and an assessment of benefits actually achieved. The Closure Report is not as comprehensive as with some other projects.
- 4.2.9 The Phase 1 Closure Report addressed a number of 'lessons learned' and made recommendations. These lessons along with a number of other key factors were considered as part of the feasibility study conducted for Phase 2.
- 4.2.10 A PIR carried out at a later date, however, has a number of benefits, including:
- Confirmation or otherwise of the ongoing efficacy of the project;
  - Identification of any ongoing issues;
  - Identification of savings (costed);
  - Identification of ongoing conformance with business performance targets.

## 5 COMPARATORS

### 5.1 Outline

- 5.1.1 Socitm *Consulting* has been supporting local government clients for many years including many assignments relating to implementation of social care systems. We have been asked to compare Haringey's e-Care implementation project with best practice derived from that experience.
- 5.1.2 Phase 1 was implemented outside of the Council's PMF as it had not been finalised at that time. Documentation and the project governance methodology did not therefore conform to the same extent as other projects. However the Project Manager **did** use his experience of PRINCE 2 to provide a professional, robust and well documented project support function so compared favourably with best practice.
- 5.1.3 Haringey's PMF is being applied to Phase 2 and its application to this project compares favourably with the best planned and managed projects.
- 5.1.4 The effectiveness of the Project Sponsor, Project Manager and key stakeholders equally appear to match best practice.
- 5.1.5 Delivery by third-party suppliers has been less effective. Many, if not all, other local authorities have difficulty with negotiating robust contracts with suppliers. In terms of Phase 1 of this project the procurement process was, however, particularly flawed. There appears not to have been any exploration of any evidence that the supplier's submissions could have been delivered or whether they had been delivered elsewhere. However lessons have been learned and Phase 2 procurement has improved significantly.

## Appendix 3 - e-Planning

### 1 BACKGROUND

#### 1.1 Purpose of report

- 1.1.1 Socitm *Consulting* was contracted to carry out a review of a representative selection of programmes and projects completed by the Haringey IT Services department in the period August 2003 to January 2007.
- 1.1.2 This report summarises the review of one such project (i.e. e-Planning). The purpose of the report is to::
- Assess the success of the project measuring it against the specific criteria, including comparisons with similar projects at other organisations of similar size and complexity to the Council;
  - Make recommendations for specific actions that would improve ongoing benefits realisation for the assessed project.

#### 1.2 Project

- 1.2.1 This project had a budget of some £250,000 and was delivered within 7 months.
- 1.2.2 Its overall objective was for the PEPP – (Planning Environment Policy and Performance) business unit, to deliver an electronic planning service to customers by April 2005.

#### 1.3 Findings

- 1.3.1 The scope of the project is shown at Section 2 and the findings of our review are outlined in Sections 3 to 5. The conclusions, however, are summarised below to provide, effectively, a management summary within this section.

#### 1.4 Conclusions

- 1.4.1 This project was generally very well managed and was brought in on time and on budget.
- 1.4.2 It was very well documented providing the Project Board with all appropriate information to address issues, resolve problems and drive the project forward.
- 1.4.3 The allocation of a qualified and full time Project Manager together with Change Management personnel was considered an essential element to that success.
- 1.4.4 Commitment on the part of the Project Sponsor and the Project Board are also considered to be essential. There appear to have been times when commitment of some key players needed to be re-established but this was done in a timely and effective manner.
- 1.4.5 Though the budget was managed effectively and costs kept within budget it is not quite clear how this was monitored by corporate finance (in accordance with the Audit commission review).
- 1.4.6 Though the performance of third party suppliers was deemed inadequate the Council was unable to impose either financial penalties or sufficient client pressure to gain improvement of that performance.

- 1.4.7 Though the achievement of originally envisaged benefits was assessed in the Project Closure Report there was no follow-up at a later stage (i.e.PIR) the timing of which should enable a longer term assessment and clearer measurement of costed savings.

## **1.5 Recommendations**

- 1.5.1 There are no recommendations specific to this project. General recommendations appropriate across all projects are given in our overarching report.

## 2 PROJECT SCOPE

- 2.1.1 PEPP – (Planning Environment Policy and Performance) business unit, was to deliver an electronic planning service to customers by April 2005. This was in accordance with government policy with all local authorities being scored according to the level achieved against the '21 Pendleton Report Survey' criteria.
- 2.1.2 The objective was to be awarded 2 points out of the maximum 3, against the '21 Pendleton Report Survey' criteria by April 2005. This was to be achieved by delivering an electronic planning service for Haringey Council customers, and would enable Haringey to obtain the top quartile position with regard to planning.
- 2.1.3 The objective was to investigate and evaluate possible web based solutions, enabling the PEPP business unit to offer services via the internet. To implement the chosen solution ensuring that all change management aspects for this new service is encompassed.
- 2.1.4 There were a large number of related projects, including:
- ERMS – (Electronic Records Management System);
  - E-Payments Project;
  - Technical Refresh Project;
  - New IT Capital Programme;
  - Mobile Working Project;
  - Scanning Project;
  - (National Land and Property Gazetteer) - NLPG and (National Land Information Service) - NLIS Project;
  - (Geographical Information System) - GIS Project;

### **3 PERSONAL PERSPECTIVES**

#### **3.1 Project Manager**

- 3.1.1 The project was originally intended to comply with level 2 of the Pendleton criteria by April 2005 which the government moved to March 2005. In conjunction with this the perception of ICT was considered to be very poor so it was not the best start.
- 3.1.2 The project sponsors and key stakeholders were taken through the project processes as laid down in the Council's Project Management Framework (PMF) and were convinced of its efficacy and benefits.
- 3.1.3 The project was delivered on time and on budget despite a number of issues outlined below:
- Initial contract negotiations with Northgate (the supplier of the Sx3 e-planning software) were difficult and protracted; Northgate refusing to use the SCAT terms and conditions but insisting that their own be used. Eventually resolved to the satisfaction of the Council with significant support from the project sponsor.
  - Northgate hosted the Web and Applications Servers at their Hemel Hempstead site. This was affected by the major fuel depot fire and resulted in some ten days without a service (regrettably this coincided with the Pendleton survey resulting in a 6 month delay in achieving the level 2 objective).
  - There were a number of late deliveries of software elements by Northgate. Having been unable, initially, to negotiate penalty clauses the Council were unable to exert as much pressure on the supplier as would be ideal.
- 3.1.4 The Project Board was chaired by the Project Sponsor and met when necessary (monthly on average). Attendance was consistent and decision making considered to be supportive. Major issues were taken up by the board and senior management got involved in resolving issues, particularly with suppliers.
- 3.1.5 The budget was managed by the Project Manager using a spreadsheet, backed up by SAP reports.
- 3.1.6 Although the Closure Report referred to a Post Implementation review to be carried out after a further three months the Project Manager was not aware of its being carried out.

#### **3.2 Project Sponsor**

- 3.2.1 This was the first IT project under a new regime. Previous perceptions of IT were not good so was not expecting great support but revised opinion considered to be because of:
- Virtually full time, professional Project Manager (PM);
  - PM located in user offices;
  - Project managed with revised processes which were considered, initially, to be excessive but the efficacy of which were subsequently seen to be beneficial;
  - Change manager and Analyst allocated to the project team which enabled existing processes to be mapped and new processes to be devised;
- 3.2.2 The Tech Refresh Programme affected the project through the change of infrastructure being implemented at the same time as the e-Planning project was being implemented. However the main problems were around the delays in timing and fragility of the new infrastructure. However the 'thin client' infrastructure is now seen to be more stable and easier to maintain.



- 3.2.3 The major problems were around products/ services being delivered (or not) by third parties; namely Northgate (Sx3) and Planning Portal.
- 3.2.4 Project governance was deemed to be successful being managed via a Project Board chaired by the Project Sponsor. Attendance was generally consistent though reminders had to be given on occasions to some members to ensure ongoing commitment.
- 3.2.5 The full set of predicted project benefits are still to be achieved, including:
- full paperless working;
  - mobile working;
  - seamless e-payments via on-line submission;

However the main objectives have been achieved (i.e. compliance with Pendleton Criteria, electronic submission of Building Control applications, improved effectiveness and efficiency). The hard work has been done which is seen to have laid the foundation for relatively smaller investments in systems which will enable the achievement of, proportionately, greater level of benefits.

## 4 DOCUMENTARY EVIDENCE

### 4.1 Background

4.1.1 Whilst taking into account key stake-holders' views of how the project was managed a significant part of the assignment was to assess the documentary evidence which might either support or counteract those views. A comprehensive set of documents were requested to be viewed and assessed, where available, including:

- Business Case;
- Project Brief;
- Project Initiation Document (PID);
- Project Plan;
- Project Board
  - Agenda
  - Minutes
  - Highlight Reports
  - Risk Logs
  - Issue Logs
  - Budget Reports
- Closure Reports
- Post Implementation Review (PIR)

### 4.2 Comments

4.2.1 All documents were produced broadly in line with the initial version of the relatively new Project Management Framework (PMF) but with changes where it was believed might deliver improvement. The PMF was then updated using the experience gained from this project.

4.2.2 The Project Brief clearly described the scope of the project and its major aims and objectives. This was subsequently followed by a PID which provided a clear plan of how the project was to be delivered, over what timescales. The project comprised 5 stages with budget figures only capable of being identified after completion of the second stage. The PID was capable of informing the whole process up to and including closure and PIR where benefit realisation could be assessed.

4.2.3 The Project Board was provided with regular, concise but comprehensive reports including Highlight Reports using the Red/ Amber/ Green (RAG) methodology. Decisions made by the Project Board were well recorded in Minutes and a clear audit trail is available.

4.2.4 Budget reports are clear but were based on the Project manager's spreadsheet. There is no evidence of reconciliation with the Council's corporate finance system (SAP) but there is no reason to believe that there were any problems arising from that.

4.2.5 Issue Logs ensured that issues remained on the agenda until addressed rather than being 'lost' in the plethora of Project Board minutes.

- 4.2.6 A Risk Log was maintained which identified major risks. It is difficult to see, however, how this information was used by the Project Board.
- 4.2.7 The Closure Report showed a comparison between originally envisaged benefits and an assessment of benefits actually achieved. Savings arising from implementation of this project were described but not, however, given a value. This might not have been possible at the time of Project Closure so should form an important part of a PIR as should a review of recommendations made at Project Closure.
- 4.2.8 The Project Closure report makes reference to a PIR being carried out after some six months but there is no evidence of that being done. Whilst the Closure Report addressed a number of 'lessons learned' and made recommendations a PIR carried at a later date has a number of benefits, including:
- Confirmation or otherwise of the ongoing efficacy of the project;
  - Identification of any ongoing issues;
  - Identification of savings (costed);

## 5 COMPARATORS

### 5.1 Outline

- 5.1.1 Socitm *Consulting* has been supporting local government clients for many years including many assignments relating to implementation of property-based systems, more particularly in e-Planning. We have been asked to compare Haringey's e-planning implementation project with best practice derived from that experience.
- 5.1.2 Haringey's Project Management methodology and its application to this project compares favourably with the best planned and managed projects.
- 5.1.3 The effectiveness of the Project Sponsor, Project Manager and key stakeholders equally appear to match best practice.
- 5.1.4 Delivery by third-party suppliers has been less effective. Many, if not all, other local authorities have had difficulty with interfacing with the Planning Portal, particularly around that time which was early in its formation.
- 5.1.5 The project, however, also relied heavily on appropriate interfaces being produced by the applications software supplier (initially Sx3, subsequently Northgate). Significant problems arose with this relationship, initially in contract negotiations and subsequently with late delivery of a number of modules. These types of problems with suppliers is not uncommon but some authorities managed to work in partnership with their suppliers to achieve their objectives whilst also enabling their suppliers to improve their product. There is no specific action that we could point to that the Council could have taken to guarantee a better supplier response but it was unable to impose a position of strength in its negotiation.

## Appendix 4 - Insourcing

### 1 BACKGROUND

#### 1.1 Purpose of report

- 1.1.1 Socitm *Consulting* was contracted to carry out a review of a representative selection of programmes and projects completed by the Haringey IT Services department in the period August 2003 to January 2007.
- 1.1.2 This report summarises the review of one such programme (i.e. Insourcing). The purpose of the report is to::
- Assess the success of the programme measuring it against the specific criteria, including comparisons with similar programmes at other organisations of similar size and complexity to the Council;
  - Make recommendations for specific actions that would improve ongoing benefits realisation for the assessed programme.

#### 1.2 Project

- 1.2.1 This programme had a budget of some £6m and was delivered within 10 months.
- 1.2.2 Its overall objective was for the Council to exit the then infrastructure support arrangements from an external provider and to deliver most of those services in-house.

#### 1.3 Findings

- 1.3.1 The scope of the programme is shown at Section 2 and the findings of our review are outlined in Sections 3 to 5. The conclusions, however, are summarised below to provide, effectively, a management summary within this section.

#### 1.4 Conclusions

- 1.4.1 This programme was generally very well managed and was brought in on time and on budget.
- 1.4.2 It was very well documented providing the Programme Board with all appropriate information to address issues, resolve problems, mitigate risks and drive the programme forward.
- 1.4.3 Specific Change Management personnel were not allocated as the whole programme was, effectively a 'change' process. The allocation of a senior Programme Management Office (PMO) officer was considered to be an essential element to ensuring that proper processes were followed.
- 1.4.4 Commitment on the part of the Programme Sponsor and the Programme Board are also considered to be essential. Where representatives could not attend their deputies attended and were well briefed.
- 1.4.5 Though setting an accurate budget for this programme was difficult all risks were well documented including the costing of the impact of those risks. The Board (with a senior representative from Corporate Finance) was able to produce regular and frequent updates to the budget based on 'best-case' and worst case' scenarios.
- 1.4.6 Relationships with the incumbent supplier proved difficult and caused problems but these were managed sufficiently to keep the programme on track. There might be lessons to be learnt for future negotiations and contract drafting with third party suppliers.

- 1.4.7 The achievement of originally envisaged benefits was assessed in the Programme Closure Report. These are mainly based on the relative success of changing processes with minimum disruption. There has been no measurement to date of the relative quality of the IT Service except for a recent Customer Satisfaction Survey which indicates a significantly improved service delivery.
- 1.4.8 Socitm's benchmarking service records Service Level Agreement (SLA) targets across a range of IT service deliverables achieved by a large number of local authorities. We believe that Haringey should be aiming for the upper quartile of these target levels which we also believe could have been set at an earlier stage with a six month performance 'honeymoon'.
- 1.4.9 A Post Implementation Review (PIR) is scheduled for September 2007 which should address the potential for more specific performance measures.

## **1.5 Recommendations**

- 1.5.1 There are no recommendations specific to this project. General recommendations appropriate across all projects are given in our overarching report.

## 2 PROJECT SCOPE

The high level objectives of the programme were:

- 2.1.1 To grasp the opportunity of the expansion of in-house services and to use the lessons learnt from the previous outsource arrangements to improve the business focus, service delivery and culture within IT Services. This will include adoption of recognised best practice, honest and open inspection of current issues and behaviours and implementation of a revised and revitalised organisation.
- 2.1.2 To transition support of the infrastructure delivered by the Tech Refresh from the project team to permanent staff
- 2.1.3 To outsource the Networks and Security element to a new managed service provider and to purchase 3rd party software tools as required by the service management design via a competitive tender in accordance with public sector procurement rules and best practice.
- 2.1.4 To design an organisational structure and processes based where applicable on ITIL (Information Technology Infrastructure Library – the leading IT service delivery standard) recommendations to deliver the service.
- 2.1.5 To recruit skilled resources to enabled the support and maintenance of the infrastructure.
- 2.1.6 To deliver this programme of work in accordance with Haringey's Project Management Framework(PMF) and with adherence to the recommendations of the 2005 Audit commission report and subsequent Haringey PMF enhancements agreed by the Council Exec on the 21st Feb 2006

### **3 PERSONAL PERSPECTIVES**

#### **3.1 Project Manager**

- 3.1.1 The programme was managed by the then Head of IT who has since left the Council. The personal perspective, therefore, was provided by the Programme Management Office manager.
- 3.1.2 One sub-objective of the programme was to test the revised and updated PMF. This meant following the PMF guidelines in some detail which was one of the reasons for a significant PMO investment.
- 3.1.3 The programme was delivered on time and on budget despite a number of issues outlined below:
- Lack of co-operation on the part of the incumbent service provider Northgate Information Systems (NIS);
  - Historic poor performance by NIS;
  - Difficulty in recruiting in a very competitive market;
- 3.1.4 The Programme Board was chaired by then Programme Sponsor (Head of Legal Services) and met fortnightly. Attendance was consistent and decision making considered to be supportive. Major issues were taken up by the board and senior management got involved in resolving issues, particularly with suppliers.
- 3.1.5 The budget was managed by the Programme Manager using a spreadsheet, backed up by SAP reports.
- 3.1.6 Investment in Programme governance reached some 6 – 8% of the total Programme cost and a recommendation to match this in all major programmes/ projects is being considered by the Organisational Performance Team.
- 3.1.7 The Audit Commission report recommended a greater degree of external challenge and the Programme Board set an estimate of £25k to contract with reputable agencies with a track record in the various areas (e.g. British Computer Society (BCS) for staff competencies and grading).
- 3.1.8 Service Level Agreements (SLAs) were set at NIS levels and are to be reviewed upwards at some time in the future.
- 3.1.9 The Risk Log was considered comprehensive and risks were well managed through to closure. Some items in the log might not be considered risks but more like issues.
- 3.1.10 Where roles and responsibilities are changing through the course of the programme they need to be clearly defined and communicated.
- 3.1.11 The Closure Report refers to a Post Implementation Review due. to be carried out in September.

#### **3.2 Project Sponsor**

- 3.2.1 These personal perspectives were provided by the Acting Director of Finance who was ipso facto 'deputy' Chair of the Programme Board; the chair ( Head of Legal Services) no longer being an employee of the Council.



- 3.2.2 Commitment of senior managers to the Programme via the Programme Board was considered an essential aspect of its success. Chair of Programme Board was not an IT technician (Head of Legal Services). The then Head of Corporate Finance and Head of Personnel were essential members with Head of Personnel giving priority to the recruitment and TUPE aspects and Head of Corporate Finance monitoring a complex budget.
- 3.2.3 The senior members of the Programme Board were not especially IT literate and, naturally, much of the detailed reporting was fairly technical. Nevertheless it is believed that the Programme Board managed the programme effectively by concentrating on the risks, milestones, impacts and budgets.
- 3.2.4 The programme was based on some very detailed planning from the beginning. This may have been perceived at the start as being overly bureaucratic but increasingly was viewed as supportive and providing the sort of comfort levels necessary to give confidence in achieving the overall objective.
- 3.2.5 Project governance was deemed to be successful being managed via the Programme Board chaired by the Project Sponsor. Attendance (fortnightly) was very consistent with properly briefed and informed deputies attending whenever the prime members were unable to attend.
- 3.2.6 Budgetary control was an essential aspect to the programme governance. There was potential for costs to escalate. However the final costs were within budget and did not utilise any of the £400k contingency. It is believed that the budgetary control aspects should be used as a model for other large projects/ programmes.
- 3.2.7 There was potential for 'project creep' as users tried to get work carried out which was out of scope. The Programme Board effectively prevented this and supported the programme deliverers in resisting this impact.
- 3.2.8 The Leader of the Council took a particular interest in this programme which had required a certain 'act of faith' on the part of Members. The Programme Board Chair met with the Leader on a regular basis. The IT Scrutiny Panel did not exist at that time.

## 4 DOCUMENTARY EVIDENCE

### 4.1 Background

4.1.1 Whilst taking into account key stake-holders' views of how the project was managed a significant part of the assignment was to assess the documentary evidence which might either support or counteract those views. A comprehensive set of documents were requested to be viewed and assessed, where available, including:

- Business Case;
- Project Brief;
- Project Initiation Document (PID);
- Project Plan;
- Project Board
  - Agenda
  - Minutes
  - Highlight Reports
  - Risk Logs
  - Issue Logs
  - Budget Reports
- Closure Reports

4.1.2 Access was also provided to the Council's e-room which contains electronic versions of most of the above documents.

4.1.3 A summary of the April 2007 customer satisfaction survey was also provided.

### 4.2 Comments

4.2.1 All documents were produced in line with the revised version of the PMF. The PMF was then updated using the experience gained from this project.

4.2.2 The Business case was based, initially, in a report to Members in December 2005, subsequently amended in January 2006 following a revised offer from NIS. A further report to members in June 2006 revised the budget costs arising, in the main, from completion of negotiations with NIS.

4.2.3 The PID provided a very detailed and clear plan of how the programme was to be delivered, over what timescales and at what budget. The programme comprised 4 work streams plus Quality Assurance and Programme Management. These streams were:

- Service Delivery;
- Procurement;
- Service Design; and
- Resource Management.

- 4.2.4 The Programme Board was provided with regular, concise but comprehensive reports including Highlight Reports using the Red/ Amber/ Green (RAG) methodology. Decisions made by the Programme Board were well recorded in Minutes and a clear audit trail is available.
- 4.2.5 Budget reports are clear and were based on the Programme Manager's spreadsheet (to include commitments) plus actual expenditure from SAP. In addition Risks as identified in the Risk Log are purported to have had their impact costed though we have seen no real documentary evidence of this.
- 4.2.6 Issue Logs ensured that issues remained on the agenda until addressed rather than being 'lost' in the plethora of Programme Board minutes.
- 4.2.7 A Risk Log was maintained which identified major risks. Some of these we consider not to be risks as much as issues. (An example of this is "Conflicting demands on staff time" which is a 'fact of life' in any project). Over stating risks could dilute the management focus on more real and important risks.
- 4.2.8 The Closure Report includes a section on Benefits Realisation which describes the extent to which objectives were achieved but not benefits realised. It is, perhaps, considered too early to measure the wider benefits (lower cost, improved performance, better response to changing needs etc.) so this should be an important aspect of the Post Implementation Review (PIR) scheduled for September.
- 4.2.9 The April 2007 Satisfaction Survey indicates a significant improvement in satisfaction ratings over the June 2006 survey. Initially Service Level Agreements (SLAs) have not been re-set; the original objective being to transfer functions at, at least, the levels previously delivered by the outsourcing provider. The intention is for these to be re-set at a significantly higher level once the new help Desk is able to provide statistics over a reasonable time period. We believe that the revised SLAs should be based on Socitm's benchmarking survey with targets in the upper quartile. We believe that this could have been set at an earlier stage even if there was a performance 'honeymoon.'
- 4.2.10 The Project Closure report makes reference to the procurement process being fully achieved. In terms of delivery within timescales this is a true reflection. However the initial use of Hays as a recruitment agency was considered to be a mistake and alternative agencies had to be procured. This was done quickly and within the timeframe but why was the original 'mistake' made? How was Hays' experience and suitability assessed?
- 4.2.11 Similarly a service desk system was procured in accordance with proper procurement processes. However the supplier was not always able to deliver in accordance with the Programme schedule. The efficacy of the procurement process should be measured by the ability of the supplier to deliver according to contract as well as the timeliness of the procurement itself.

## 5 COMPARATORS

### 5.1 Outline

- 5.1.1 Socitm *Consulting* has been supporting local government clients for many years including many assignments relating to outsourcing of ICT. There have been far fewer assignments relating to insourcing and the few relate to relatively small local authorities. The Haringey Insource programme is, as far as we know, unique because of its size and because Haringey had never managed its own ICT service. Direct comparisons are therefore not possible. We can, however, make general comments on how a programme of this size and complexity matches best practice derived from our experience.
- 5.1.2 Haringey's Programme Management methodology and its application to this programme compares favourably with the best planned and managed projects.
- 5.1.3 The effectiveness of the Programme Sponsor, Programme Manager and key stakeholders equally appear to match best practice.
- 5.1.4 Delivery by third-party suppliers has been less effective though many, if not all, local authorities have had difficulty managing third party suppliers.
- 5.1.5 The programme, would have been more easily managed if there had been co-operation on the part of the incumbent supplier, though to expect this would, probably, have been naïve. The subsequent management of the process including negotiations, legal activity etc seems to have been very well managed although the details of the negotiations are commercially confidential so we cannot comment in detail.



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