

Report Title: **Project and Programme Management – Response to the Audit Commission Review**

Forward Plan reference number (if applicable):

Report of: **Chief Executive**

Wards(s) affected: **All**

Report for: **Non-key decision**

1. Purpose

- 1.1 To present detailed proposals and supporting information for a revised Programme Management framework in response to the 'Review of Project Management' paper published by the Audit Commission in January 2006.

2. Introduction by Executive Member

- 2.1 Following the June 2005 outturn report to the Executive, concern was expressed by members about the need to strengthen programme management processes and procedures within the council. The Executive referred the Tech Refresh project to the district auditor and that report was presented to the Executive in January 2006.
- 2.2 This report outlines the Councils response to the district auditor's report and sets out the new arrangements for programme and project management, highlighting the parts of the current structure which are to be altered.
- 2.3 Whilst the DA's report focuses exclusively on Tech Refresh, programme management generally will benefit from the improved processes put forward in this report.
- 2.4 The report offers clear criteria for what is defined as a major programme which in turn will be clearly reported to members without compromising the constitutional need to not get involved with operational matters.
- 2.5 The report also outlines the timescale setting out three phases for implementing the new programme and project management structure.
- 2.6 This administration has successfully gained three stars from the Audit Commission. Adopting these measures will help strengthen that position and help deliver more efficient services for the residents of Haringey.

3. Recommendations

- 3.1 Agree the detailed action plan in response to the Audit Commission recommendations shown in appendix A.
- 3.2 Agree the new Programme Management structure outlined in Appendix B.
- 3.3 Set up Councillor Steering Groups for each Stream Board to provide strategic direction and political input and steer.
- 3.4 Set up a dedicated Programme Management Office in the Improvement and Performance Team.
- 3.5 Produce a separate report that clarifies the links between change, programme management, policy development and the member decision making process.
- 3.6 Note that a separate Project Implementation Review will be produced for Tech Refresh and reported to the Executive.

Report Authorised by: **Chief Executive**

Contact Officer: **Eve Pelekanos; Head of Improvement, Performance and Scrutiny**

4. Executive Summary

- 4.1 A discussion paper was presented to Programme Board on the 21 December 2005 outlining proposals for a revised Programme Management structure. Programme Board agreed that:
 - ❖ Further consideration should be given to councillor involvement in projects;
 - ❖ That the programme is strengthened to respond to the value for money and use of resources agenda;
 - ❖ A dedicated Programme Management Office should be established.
- 4.2 Subsequently, in January 2006, the Audit Commission published a report examining the Council's arrangements for managing the Tech Refresh project. Their report highlights a number of concerns with the governance arrangements for Tech Refresh and specifically highlights inadequate project and financial management practices. The Council must produce an action plan to address the issues raised by the report and the Audit Commission will carry out a follow-up review in late February/early March 2006.
- 4.3 Concerns about reporting arrangements for high risk, major projects were also highlighted in the Use of Resources Assessment in November 2005.

4.4 This report sets out our response to the Audit Commission report and Use of Resources assessment and outlines new arrangements for programme and project management in Haringey which build on the discussion paper presented to Programme Board in December.

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

5.1 Not applicable

6. Local Government (Access to Information) Act 1985

6.1 Report to Programme Board, 21 December 2005: 'Programme Management Restructure – Discussion Paper'.

6.2 Audit Commission report, January 2006: Review of Project Management (Technical Refresh)'.

7. Background

7.1 The Programme in Haringey consists of CEMB Programme Board, four Stream Boards and one Project Board, as follows:

- ❖ Assets
- ❖ Customer Focus
- ❖ E-Care (Project Board)
- ❖ Procurement
- ❖ Information Management.

7.2 The Programme encompasses all the Council's major internal projects but there are a number of externally focused projects that report separately to CEMB, for example Better Haringey, Change for Children Programme and the Community Care Strategy

7.3 Programme management is essential to co-ordinate the delivery of a set of projects and ensure that the outcomes of the programme are greater than the sum of outcomes from the individual projects. Therefore, it is key to performance improvement and the realisation of our corporate strategy.

7.5 Over the past year, the Programme has improved the way the Council manages projects corporately and is a key part of our response to the CPA Corporate Assessment. Despite the successes of the first year, the Council was aware that further work is required to ensure that programme management is fully embedded and a discussion paper on restructuring the Programme was presented to CEMB in December 2005. This built on discussions with senior councillors following the June 2005 Outturn report to the Executive. Programme Board agreed that:

- ❖ Further consideration should be given to councillor involvement in projects;
- ❖ That the programme is strengthened to respond to the value for money and use of resources agenda;
- ❖ A dedicated Programme Management Office should be established.

7.6 Subsequently, in January 2006, the Audit Commission published a report examining the Council's arrangements for managing the Tech Refresh project. Their report highlights a number of concerns with the governance arrangements for Tech Refresh and specifically outlines inadequate project and financial management practices.

7.7 Concerns about reporting arrangements for high risk, major projects were also highlighted in the Use of Resources Assessment in November 2005.

8. Arrangements for Programme Management in Haringey

8.1 Revisions to the programme framework were discussed prior to the publication of the Audit Commission 'Review of Project Management'. Since this review has implications for the operation of the Programme a number of changes have been brought forward, which are set out in this section. Section 9 discusses and our response to the main recommendations in the report.

8.2 Councillor Steering Groups

8.2.1 New Councillor Steering Groups leading each Stream Board will be set up to give political steer, strategic direction and democratic oversight..

8.2.2 Councillor Steering Groups will comprise of the Lead Councillor(s) for the relevant portfolio, the Director for the service area and the Project Sponsor(s) for major projects attached to the Stream Board. The role of councillors on these groups will be to:

- ❖ To set strategic direction for projects within their Stream.
- ❖ To monitor reports detailing progress against key milestones and budgets.
- ❖ To scrutinise key risks and issues without involvement in project management.
- ❖ To pick up links and interdependencies with other portfolios.

8.2.3 The purpose of the Steering Groups will be to enable councillors with executive responsibilities to exercise their roles, providing sufficient information about key projects without them getting involved in their day-to-day management which constitutionally is an officer responsibility. This information will require the reporting up of all relevant and key matters and will therefore mean that councillors will not be involved at lower levels in the officer hierarchy.

8.2.4 Executive Councillors, the Leader or the Executive itself may choose to invite other councillors to participate where it is felt appropriate

8.3 New Programme Structure

8.3.1 The programme structure will be revised to reflect the Council's corporate priorities and improve the link between policy and projects. The programme will be the key means by which the Council delivers its commitments under the Community Strategy. (Need to mention that more work will be done to examine the councillor decision making structure to ensure the Executive and Scrutiny play their role.)

8.3.2 There will be a Stream Board for each key priority plus an ALMO Board and a Well-Being Board to ensure that all major service areas are covered. The 'Excellent Services' theme will be divided into three Stream Boards; two that support the Council's SMART Working objectives and one for 'Value for Money'. The new structure is set out in appendix B.

8.3.3 The Member structure and Councillor membership will be examined in June, immediately following the election.

8.3.4 The membership of Stream Boards will be altered to respond to the Audit Commission's recommendations. The key proposals are:

- ❖ Members of Management Board will chair the Stream Board relevant to their line management responsibility.
- ❖ A representative from Corporate Finance will sit on each Stream Board to ensure that Finance has an overview of cost implications of all the Council's major projects. This may have resource implications for Corporate Finance, which will need to be kept under review.
- ❖ A member of the Change Team will sit on Stream Boards where required.

8.3.5 Whilst a core group of staff will be required at every Stream Board, membership of individual meetings will remain flexible and will be tailored to the agenda for each meeting.

8.3.6 In addition to the Stream Boards there are a number of pre-existing inter-agency partnership groups that link to and cover some of the same issues that will be discussed at the Stream Boards. Whilst there will be areas of overlap between these meetings, the purpose of the Stream Boards will be to deal specifically with the Council's internal agenda. Any issues arising from the Stream Boards which will impact on partners can then be communicated to the inter-agency meetings.

8.3.5 A key aim of the new structure will be to improve benefit tracking across both the projects and the programme as a whole. This will be achieved by creating a single forum for policy development and project delivery, ensuring that our key projects follow our corporate priorities.

8.4 Independent Programme Management Office

- 8.4.1 An independent Programme Management Office (PMO) will be set up in the Improvement and Performance Team. This will enable the Council to exploit the links between programme management, the CPA and performance management and provide strong leadership on the improvement agenda.
- 8.4.2 There is project management expertise in the Improvement and Performance Team, with PRINCE2 qualified project managers. This will ensure that best practice is adhered to and followed through the lifecycle of projects, as recommended by the Audit Commission.
- 8.4.3 Over the past year, good practice in programme management has been developed and the new PMO will work with the IT Programme Management Office and the Change Team to ensure that this good practice is captured and disseminated. It is vital that the Programme Manager has a strategic understanding of the Council's business so that they are able to challenge and police programme projects effectively.
- 8.4.4 The role of the PMO will be to:
- ❖ produce the programme highlight report and monitor progress;
 - ❖ track interdependencies and staff resources;
 - ❖ flag concerns with individual projects to Stream and Programme Boards;
 - ❖ monitor attendance at Project Boards and Stream Boards;
 - ❖ ensure audit trails exist and are easily accessible for all projects;
 - ❖ maintain a library of project documentation and minutes of meetings for programme projects;
 - ❖ capture and disseminate the lessons learned from completed projects;
 - ❖ be a repository of best practice in project management;
 - ❖ track benefits against each of the projects and for the programme as a whole.
- 8.4.5 The composition of the programme office will need to be considered in detail. In particular, the delineation between Change, the IT Programme Management Office and Policy must be identified. This will be the subject of an additional report.

8.5 Implementation of the new structure

- 8.5.1 There will be three phases to implementing the new structure, as follows:
- ❖ By April 2006: the current programme projects will be mapped across to the new structure, major new projects will be identified and the officer meetings will be set up;
 - ❖ By June 2006: the new councillor meeting arrangements will be established;
 - ❖ Between June and September: other new projects will be identified and added to the Programme as a result of councillor input and the revision of the Community Strategy.

9. Response to the Audit Commission's recommendations

- 9.1 The Audit Commission will carry out a follow-up review in late February/early March 2006 to assess the robustness of the Council's remedial action in response to its

report. An action plan to address the recommendations is shown in appendix A and the key actions are described below.

9.2 Ensure budgets, in particular the revenue costs associated with large capital projects, are realistic from the outset, and subject to adequate challenge during preparation

9.2.1 Major project expenditure is captured in the Pre-Business Plan Review process and subsequently in Service Business Plans. We will strengthen this further by ensuring that a member of Corporate Finance will sign-off Project Briefs and PIDs and ensure proper consideration of risk is included.

9.3 Ensure project budgets are coherent and that monitoring arrangements are robust at the day-to-day management level, with financial management roles and responsibilities clearly defined and allocated

9.3.1 There will be changes to the programme highlight report to improve monitoring arrangements and ensure that major budget variations are reported.

9.3.2 A covering report will be produced that highlights key risks and issues for each Stream Board and includes comments from the Director of Finance.

9.3.3 The new report will be signed off by the Chief Executive and Director of Finance and will be reported to the Executive in the same way as the current Finance and Performance report. The first report will be submitted to the Executive in March, reporting project highlights from January.

9.4 Review procedure for authorising and controlling change requests for all projects

9.4.1 The Project Sponsor/Board for major projects will be required to report to Stream and Programme Board any significant change requests, classified as:

- ❖ budget changes and adjustments in excess of £25,000,
- ❖ any slippage to the overall timescales and implementation date, or
- ❖ material changes to scope.

9.4.2 The £25,000 financial limit applies to cumulative total of a number change requests as well as individual change requests. Once the project manager has agreed any significant change requests with the Project Sponsor/Board, they must be signed off by Corporate Finance and agreed by the Programme Board.

9.4.3 On a day-to-day basis, project managers will be expected to deal with cost, time and scope pressures. Any change request that is less than £25,000, which can be implemented within timescale and scope, should be handled by the project manager but reported to the Project Board for agreement. There will be a provision for urgent decisions and change requests to be agreed with the Project Sponsor. This procedure applies both to major projects and to those projects which involve external suppliers.

- 9.4.4 Any significant change requests will be reported to Programme Board and the Executive through the Programme Highlight report.
- 9.5 Ensure major revisions to project budget estimates are reported, reflected in formal virements and appropriately authorised. It would be appropriate for the Council to review delegated authorisation levels to ensure adequate reporting to members**
- 9.5.1 The Council's financial regulations and standing orders meet best practice. However, the arrangements for reporting projects to councillors will be improved as set out in section 9.2.
- 9.5.2 All major project will also be required to monitor their risk register closely. If risks are realised and the project is unable to identify corresponding savings, they must be reported to Programme Board and the Executive.
- 9.6 Establish costs expected to be incurred against key deliverables, and monitor these against actual costs**
- 9.6.1 The Council will profile, monitor and report on costs against key milestones, deliverables or project stages.
- 9.7 Provide for the representation of Corporate Finance on project boards of major schemes**
- 9.7.1 The membership of Project Boards for major projects will also include a representative from Corporate Finance and the Change Team. This will enable Corporate Finance and Change to have an overview of all the major projects across the Council and ensure that support can be directed appropriately.
- 9.8 Consider use of subject matter experts to challenge the design of future projects and give independent, external challenge**
- 9.8.1 Independent, external challenge will be a requirement for all major projects and arrangements for challenge will be set out in the project initiation document. Challenge will be achieved in one of three ways:
- ❖ External review at the project design stage
 - ❖ 'Gateway' reviews linked to project milestones
 - ❖ An independent representative on Project Boards.
- 9.8.2 Further guidance will be issued on undertaking 'gateway' reviews as part of implementation of these proposals.
- 9.9 Ensure a robust project board is established with those nominated being able to commit the time and having the appropriate skills**
- 9.9.1 The Project Sponsor for major projects will be a member of Management Board without line management responsibility for the project area. This will provide an additional element of challenge to these projects throughout the project lifecycle.

9.9.2 Generic roles and responsibilities for Stream and Project Boards and their representatives are set out in appendix D. These will be supported by training for key representatives on how to undertake their roles, to promote accountability and responsibility. For all major projects the Project Board will be trained as a group on their roles and responsibilities as part of project set up. This training will be organised by Organisational Development & Learning.

9.9.3 Attendance at Project and Stream Boards will be monitored by the programme office and any concerns will be reported to Programme Board.

9.10 Introduce a robust mechanism for quality and project assurance which is independent of the project

9.10.1 All major projects will be entered on the Council's corporate risk register to provide visibility and transparency. The corporate risk register will be monitored quarterly by CEMB. All other projects managed within the framework will be entered onto Business Unit, or Departmental risk registers.

9.10.2 The Council's Internal Audit will provide ongoing assurance by reviewing a sample of project risk registers, including all those for major projects. The audit will check that adequate processes are in place to identify risks and include them on the risk register and will test that risk controls are performing as expected.

9.10.3 Internal Audit will also undertake reviews of a sample of projects to ensure that projects adhere to the Councils' project management processes and to verify that the expected outcomes are monitored and reported.

9.10.4 In addition, the programme office will perform a sample check of project documentation to ensure that it meets the Council's standards.

9.11 Ensure project board reports cover project costs against budget for project staff, meetings, expenses, overtime, QA staff, user testing, consultancy, hardware, software, installation, infrastructure, licences and temporary workers

9.11.1 The budgetary reporting section of the project highlight report will be enlarged to cover the significant elements of the project costs, including real costs associated with running the project such as meetings, expenses and consultancy. This requirement will not extend to the opportunity costs of projects such as internal staff time at project meetings.

9.12 Ensure clear audit trails for decision-making within projects

9.12.1 All projects under the programme will be required to follow the Council's project management methodology and produce each of the key project documents. The programme office will maintain a library of all project highlight reports, minutes and project documentation for all programme projects.

9.12.2 Although this requirement exists now, a number of the projects pre-existed the Programme and the requirement has not been applied retrospectively.

9.13 Consider whether a programme or project management approach is most appropriate at the outset of significant future projects

9.13.1 Clear criteria have been developed to classify projects into three categories:

- ❖ Major projects that will be identified separately through the Programme.
- ❖ Programme projects which will be reported through one of the Stream Boards; and
- ❖ Service specific projects that will be dealt with at business unit level.

9.13.2 The criteria have been included in a decision matrix which is shown in appendix C.

9.13.3 The governance arrangements for individual projects will be set out in the project initiation document and will highlight whether there is individual responsibility for different project streams or whether separate Project Boards will be convened to cover these streams.

10. Consultation

10.1 Members of Management Board were consulted about the future programme structure after the initial discussion paper in December 2005.

11. Summary and Conclusions

11.1 As well as responding to the Audit Commission's concerns, the new arrangements will provide a number of benefits for the Council:

- ❖ The risk of over-spend on projects will be reduced through the representation of Corporate Finance at Project Boards and Stream Boards. This role will ensure that budgets, in particular the revenue costs associated with large capital projects, are realistic from the outset and proper challenge will be given to variation orders.
- ❖ There will be more effective mechanisms for challenge to projects with peer review, councillor review and corporate finance attendance at all Boards.
- ❖ This structure will be key in delivering our CPA requirements and corporate priorities with effective controls and safeguards.
- ❖ Meetings will be rationalised through the creation a single integrated programme that will help the Council to deliver its Community Strategy priorities.
- ❖ There will be a clear link between policy development and project delivery. The advantages of this are two-fold: it will enable the Council to project manage policy development and ensure that we only carry out projects that support our policy objectives.

- ❖ The link between the programme, value for money and performance improvement will be firmly embedded.
- ❖ There will be better benefit tracking and improved management of major, high risk projects.

12. Recommendations

- 12.1 Agree the detailed action plan in response to the Audit Commission recommendations shown in appendix A.
- 12.2 Agree the new Programme Management structure outlined in Appendix B.
- 12.3 Set up Councillor Steering Groups for each Stream Board to provide strategic direction and political input and steer.
- 12.4 Set up a dedicated Programme Management Office in the Improvement and Performance Team.
- 12.5 That a separate report is produced that clarifies the links between change, programme management, policy development and the member decision making process.
- 12.6 Note that a separate Project Implementation Review will be produced for Tech Refresh and reported to the Executive.

13. Comments of the Director of Finance

- 13.1 I consider that the proposals in this report adequately address the areas of improvement highlighted by the Audit Commission in respect of strengthening the governance arrangements for the successful management of projects, in particular the project and financial management practices.
- 13.2 The proposals have resource implications for the Council, which can be dealt with in a number of ways.
- 13.3 The setting up of a dedicated Project Management Office and the implications for the Change Team can be managed by reprioritising and reallocating existing resources. Further consideration at a later stage will need to be given to the way that it is structured.
- 13.4 There are additional resource implications for Corporate Finance and Internal Audit arising from the increased input at all levels of the proposed project management structure. It is estimated that £100,000 would be required to facilitate this higher level of involvement. This will be a matter for Council on 20 February to resolve as part of the final budget report.
- 13.5 Training costs have also been highlighted as something that will require attention and it is assumed that this can be contained within the existing approved budgets available.

14. Comments of the Head of Legal Services

- 14.1 The recommended processes and procedures set out in this report reflect good practise, and will both satisfy the Audit Commission recommendations and ensure that the Council's project management and corporate governance improves.

15. Equalities Implications

- 15.1 This report affects the way that we manage major projects many of which have an impact on different sections of our community. Improved management of these projects will therefore improve the services we provide to all sections of our community.

16. Use of Appendices / Tables / Photographs

- 16.1 Appendix A: Action Plan to respond to the Audit Commission's recommendations
- 16.2 Appendix B: New Programme Management Structure
- 16.3 Appendix C: Criteria for Major Projects
- 16.4 Appendix D: Roles and Responsibilities

APPENDIX A

ACTION PLAN IN RESONSE TO THE AUDIT COMMISSION RECOMMENDATIONS

***Key to project levels**

- 1 = Major projects
- 2 = Programme projects
- 3 = Specific projects

Key to abbreviations

- | | |
|-----------------------------------|---|
| HoCF = Head of Corporate Finance | HoOD = Head of Organisational Development |
| PMO = Programme Management Office | HoIA = Head of Internal Audit |
| DirF = Director of Finance | PMs = Project managers |

	Audit Commission Recommendations	Action	Project Level*	Owner	Time
1.	Ensure budgets, in particular the revenue costs associated with large capital projects, are realistic from the outset, and subject to adequate challenge during preparation	❖ Major project expenditure is captured in the Pre-Business Plan Review process and subsequently in Service Business Plans. We will strengthen this further by ensuring that a member of Corporate Finance will sign-off Project Briefs and PIDs and ensure proper consideration of risk is included.	1	HoCF	Apr 06
2.	Ensure project budgets are coherent and that monitoring arrangements are robust at the day-to-day management level, with financial management roles and responsibilities clearly defined and allocated	❖ Clear budgetary information will be required in each Project Highlight Report.	1,2,3	PMO	Mar 06
		❖ A covering report will be added to the Programme Highlight Report highlighting key risks and issues for each Stream Board and including comments from the Director Finance. The report will be submitted to the Executive each month starting in March (reporting the January project highlight reports).	1,2	PMO	Feb 06
		❖ The Chief Executive and Director of Finance will sign-off Programme Highlight Report each month.	1,2	PMO	Feb 06
		❖ Major programme projects will be separately identified and monitored through the monthly budget management meetings.	1	HoCF	Apr 06

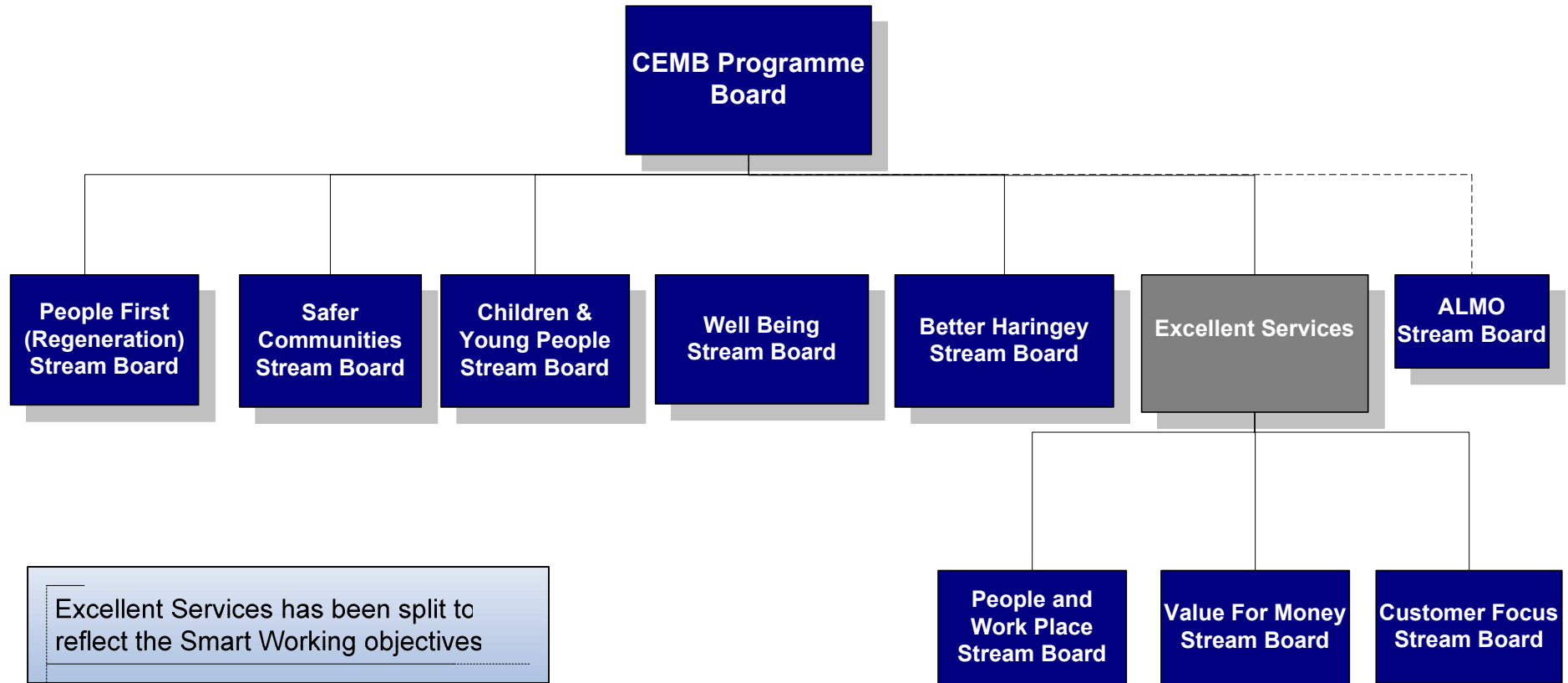
	Audit Commission Recommendations	Action	Project Level*	Owner	Time
3.	Review procedure for authorising and controlling change requests for all projects	<ul style="list-style-type: none"> ❖ The Project Sponsor/Board for major projects will be required to report to Stream and Programme Board any significant change requests, classified as <ul style="list-style-type: none"> ⇒ budget overspends in excess of £25,000, ⇒ any slippage to the overall implementation date for the project or ⇒ material changes to scope. ❖ Significant change requests must be signed off by Corporate Finance and agreed by the Programme Board. ❖ Any change request that is less than £25,000 can be and can be achieved within timescale or scope should be handled by the Project Manager but reported to the Project Board for agreement. There will be a provision for urgent decisions and change requests to be agreed with the Project Sponsor. This procedure applies both to major projects and to those projects which involve external suppliers. ❖ Any significant change requests will be reported to Programme Board and the Executive through the Programme Highlight report. 	<p>1</p> <p>1</p> <p>1,2</p> <p>1</p>	HoCF / PMO	Apr 06
4.	Ensure major revisions to project budget estimates are reported, reflected in formal virements and appropriately authorised. It would be appropriate for the Council to review delegated authorisation levels to ensure adequate reporting to members.	<ul style="list-style-type: none"> ❖ The Council's financial regulations and standing orders meet best practice. However, the arrangements for reporting projects to councillors will be improved as set out in point 2 of this action plan. ❖ Each major project will be required to maintain a risk register. If risks are realised and the project is unable to identify savings to cover the risks, they must be reported to Programme Board and the Executive. 	1,2	PMO	Apr 06

	Audit Commission Recommendations	Action	Project Level*	Owner	Time
5.	Establish costs expected to be incurred against key deliverables, and monitor these against actual costs	❖ The Council will profile, monitor and report on costs against key milestones, deliverables or project stages.	1	PMO	Apr 06
6.	Provide for the representation of Corporate Finance on project boards of major schemes	<ul style="list-style-type: none"> ❖ A representative from Corporate Finance will sit on Stream Boards and Project Boards of major projects. ❖ The Director of Finance can also nominate representatives to sit on level 2 (programme) projects at his discretion. 	1 2	HoCF DirF	Apr 06 Apr 06
7.	Consider use of subject matter experts to challenge the design of future projects and give independent, external challenge	<ul style="list-style-type: none"> ❖ Independent, external challenge will be a requirement for all major projects and arrangements for challenge will be set out in the PID. ❖ Independent challenge will be achieved in one of three ways: <ul style="list-style-type: none"> ⇒ External review at the project design stage ⇒ 'Gateway' reviews linked to project milestones ⇒ An independent representative on Project Boards. 	1	PMO	Apr 06
8.	Ensure a robust project board is established with those nominated being able to commit the time and having the appropriate skills	<ul style="list-style-type: none"> ❖ Role descriptions for key personnel have been developed and will be communicated to all. ❖ The Project Sponsor for major projects will be a member of Management Board without line management responsibility for the project area. ❖ A member of Corporate Finance and the Change Team will sit on major project boards. ❖ Attendance at Project Boards will be mandatory and will be monitored by the PMO with concerns reported through the highlight report. ❖ A training programme on roles and responsibilities for key representatives on Project and Stream Boards 	1,2,3 1 1 1,2 1,2	PMO CEMB HoCF / PMO PMO HoOD	Mar 06 Apr 06 Apr 06 Apr 06 TBC

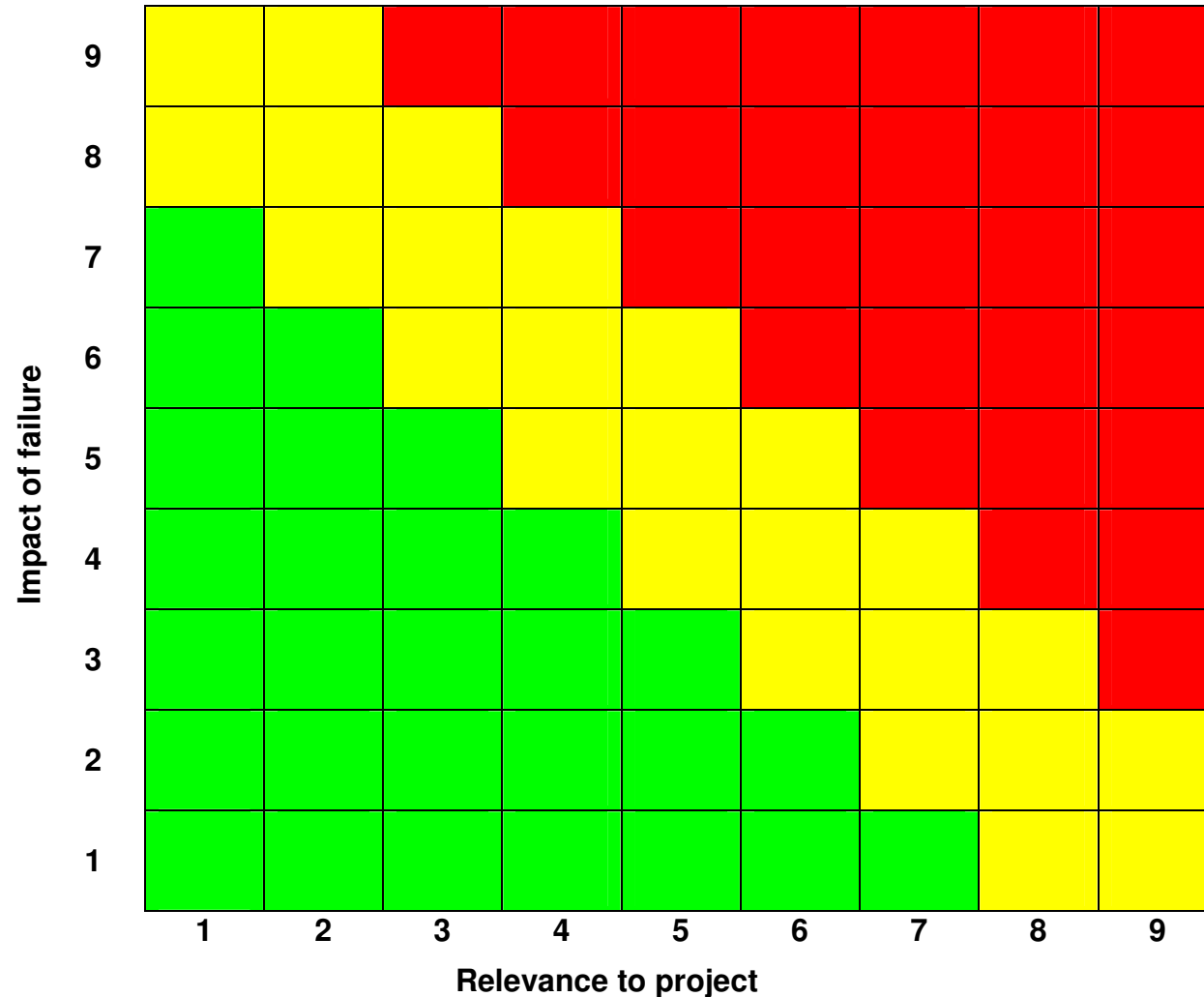
	Audit Commission Recommendations	Action	Project Level*	Owner	Time
		will be developed by OD&L. For all major projects the Project Board will be trained as a group on their roles and responsibilities as part of project set up.			
9.	Introduce a robust mechanism for quality and project assurance which is independent of the project	<ul style="list-style-type: none"> ❖ All major projects will be entered on the Council's corporate risk log to provide visibility and transparency. ❖ The Council's Internal Audit will provide ongoing assurance by reviewing a sample of project risk registers, including all those for major projects. ❖ Internal Audit will also undertake reviews of a sample of projects to ensure that projects adhere to the Councils' project management processes and to verify that the expected outcomes are monitored and reported. ❖ Arrangements for ongoing review will be set out in the PID for major projects. ❖ The PMO will perform a sample check of project documentation to ensure that it meets the Council's standards. 	<p>1</p> <p>1,2</p> <p>1,2</p> <p>1,2</p>	<p>HoIA</p> <p>HoIA</p> <p>PMs</p> <p>PMO</p>	<p>Apr 06</p> <p>Apr 06</p> <p>Apr 06</p> <p>Apr 06</p>
10.	Ensure project board reports cover project costs against budget for project staff, meetings, expenses, overtime, QA staff, user testing, consultancy, hardware, software, installation, infrastructure, licences and temporary workers	<ul style="list-style-type: none"> ❖ The budgetary reporting section of the project highlight report will be enlarged to cover the significant elements of the project costs. 	1,2,3	HoCF/ PMO	Mar 06
11.	Ensure clear audit trails for decision-making within projects	<ul style="list-style-type: none"> ❖ PMO will maintain a library of all project highlight reports, minutes and project documentations for all projects that report through the Programme. 	1,2	PMO	Mar 06

	Audit Commission Recommendations	Action	Project Level*	Owner	Time
12.	Consider whether a programme or project management approach is most appropriate at the outset of significant future projects	<ul style="list-style-type: none"> ❖ Clear criteria have been developed for projects and major projects that will report through the Programme. ❖ Governance arrangements for projects will be set out in the PID and will highlight whether there is individual responsibility for different project streams or whether separate Project Boards will be convened to cover these streams. 	1	PMO	Feb 06
			1,2	PMs	Apr 06

**APPENDIX B: PROPOSED PROGRAMME
RESTRUCTURE – OFFICER STRUCTURE**



PROJECT DECISION MATRIX



APPENDIX C

Project Criteria

- C1: Success or failure of the project may significantly impact on achieving the Council's corporate priorities.
- C2: The project involves expenditure of over £3 million revenue and/or £3 million capital.
- C3: Success or failure of the project would have a significant impact on the lives and/or services provided to residents.
- C4: The project involves significant cultural change / changes to existing ways of working.
- C5: Success or failure of the project is likely to significantly impact on the Council's external reputation.
- C6: The project would have a significant impact on the organisations' structures, functions and daily activities.
- C7: Achieve average financial or efficiency savings greater than 25% with significant impacts for the current year.
- C8: Successful delivery of a project usually involves more than one business unit / all business units in the Council.
- C9: Opportunity to significantly improve staff capability and morale across the organisation.
- C10: The project may be important to the achievement of central government objectives (e.g. PSA, Floor Targets).
- C11: The success or failure of the project is significantly dependent on the contribution of local partners and/or agencies.

Each of the project criteria should be mapped on the matrix. The red section indicates level 1 'major project' criteria, the yellow section indicates level 2 'programme project' criteria and the green section indicates level 3 'service specific' criteria.

WORKED EXAMPLE – Street Lighting Replacement Programme

As an example, the project criteria have been mapped on the matrix below for the Street Lighting Replacement Programme:

Impact of failure	9								
	8								
	7								
	6				C1	C5	C2	C3	
	5		C10						
	4				C11				
	3								
	2								
	1	C4 C6 C9	C8	C7					
	1	2	3	4	5	6	7	8	9
	Relevance to project								

Evidence

C1: The project is an element of Better Haringey and is a visible service to the community.
 C2: The cost of the project is £3m over the next 3 years.
 C3: Street lighting is a high profile service that will directly affect most of our residents.
 C4: The project will not bring about cultural change or new ways of working.
 C5: Any failure in the project would be picked up by the local press and have an adverse affect on residents satisfaction.
 C6: The project will have no impact on the organisations structures.
 C7: The project will reduce maintenance costs and energy costs but will not bring significant efficiencies.
 C8: Delivery of the project will be delivered by Streetscene with little input required from other business units.
 C9: The project does not provide an opportunity to significantly improve staff capability and morale across the organisation.
 C10: The project has no direct impact on central government objectives but will contribute to environmental and community safety concerns
 C11: The success of the project is dependent on the contribution of utility companies.

OUTCOME: Whilst the Street Lighting Replacement programme is a very visible project that will directly affect most of our residents, it will be delivered by one business unit and will not have a wider impact across the Council. This project would be managed as a level 3 project. It would not be classed as a major project.

ROLES AND RESPONSIBILITIES

Roles and responsibilities for key elements of the programme are shown below. The general roles and responsibilities for the Programme and Stream Boards and the Programme Management Office reflect those agreed in the report setting up the programme in September 2004.

Further detail has now been added to clarify individual roles and responsibilities under each of the Boards. This clarification reflects PRINCE2 guidance.

Councillor Steering Group
To provide strategic direction and political lead to projects within Steering Groups and to co-ordinate the 'Excellent Services' portfolio of projects.
Lead Councillor(s)
<ul style="list-style-type: none"> ❖ To set strategic direction for projects within their Stream. ❖ To monitor progress against key milestones ❖ To scrutinise key risks and issues without involvement in operational management. ❖ To pick up links and interdependencies with other portfolios.
Director & Project Sponsor for major projects
<ul style="list-style-type: none"> ❖ To provide councillors with project progress, including risks and issues.

CEMB Programme Board
<ul style="list-style-type: none"> ❖ Approve (or advise members) on new projects, PIDs and business cases; ❖ Monitor and manage the expected benefits from the programme, based on a monthly progress report prepared by the programme management function reporting on progress against the benefit realisation plan; ❖ Resolve (or find a way of resolving) risks, issues and policies escalated to it by stream boards and/or projects. Such resolution to be based on a briefing paper setting out the issues and proposals on the way forward prepared by the relevant project or stream board; ❖ Monitor, support and challenge streams and projects based on minutes of the relevant streams and projects, supported by the high light reports prepared for the stream board/project board.
All members
<ul style="list-style-type: none"> ❖ To be accountable for the delivery of the Programme. ❖ To oversee the Programme, providing strategic insight and providing coherence between projects and streams. ❖ To be responsible for overall management and co-ordination of the

Programme of projects.

- ❖ To monitor and respond to risks and issues.
- ❖ To have budgetary control of the Programme of projects.
- ❖ To commit resources across the Programme and ensure sufficiently senior project sponsorship.
- ❖ Monitor and manage the realisation of the expected benefits from the Programme.
- ❖ Monitor progress against Programme Highlight Reports.
- ❖ Management of supplier / contractual relationships.
- ❖ Monitor, support and challenge Streams and projects based on the Programme Highlight Report.
- ❖ Raise the profile of policies and determining whether and how to resolve it.

Stream Board

- ❖ Monitor and manage the portfolio of projects based on a monthly progress report;
- ❖ Resolve (or find a way of resolving) risks, issues and policies escalated to it by projects. This may include references from other stream boards. Such resolution to be based on a briefing paper setting out the issues and proposals on the way forward prepared by the relevant project;
- ❖ Monitor, support and challenge projects based on minutes of the relevant project boards, supported by the high light reports prepared for the project board.

Chair

- ❖ To ensure projects deliver targeted benefits to predefined time, quality and cost constraints.
- ❖ To monitor, manage and provide an effective challenge to projects, resolving risks, issues and policies where possible.
- ❖ Ensure realisation of CPA requirements for that area.
- ❖ To agree change requests that are outside of predefined tolerance levels.

Corporate Finance Representatives

- ❖ Provide independent challenge to projects
- ❖ Sign off PIDs
- ❖ To provide support and direction to projects on budget profiling.

Service / Business Unit Representatives

- ❖ To provide service input to stream activity and facilitate activities within directorates.
- ❖ To feed back information to the services.
- ❖ To communicate with other key organisational representatives.

Project Board for Major Projects

- ❖ Approve the start of the project via the Project Brief and the Project Initiation Document.
- ❖ Agree with the Project Manager on that person's role and responsibilities and objectives
- ❖ Confirm, with programme management the project tolerances
- ❖ Specify external constraints and delegate project assurance role
- ❖ Commit project resources
- ❖ Provide overall guidance and direction to the project
- ❖ Review completed stage plans and authorise change requests
- ❖ Take ownership of specified risks and issues
- ❖ Ensure that the project meets its objectives
- ❖ Approve post-implementation reviews and follow on actions.

Project Sponsor

- ❖ To be accountable for the delivery of the project in accordance with the project brief and/or PID, reviewing progress against expected outputs, timescales and budget and ensuring the project meets agreed standards of time, quality and cost.
- ❖ To ensure the necessary resources are committed to carry out the project.
- ❖ To define the project in conjunction with the project manager.
- ❖ To act as champion of the project.
- ❖ To sponsor the communications programme; to communicate the project's goals to the organisation.
- ❖ To make key organisational/commercial decisions for the project.
- ❖ To approve the budget and decides tolerances.
- ❖ To oversee Gateway Reviews.

Project Manager

- ❖ Plan, monitor and manage the project on a day-to-day basis.
- ❖ Take responsibility for the overall progress and use of resources and initiate corrective action where necessary.
- ❖ To produce change requests and report these to the Project Board.
- ❖ To produce project documentation, such as the PID and monthly project highlight reports.
- ❖ To organise independent external challenge and project assurance.

Corporate Finance Representative

- ❖ To sign-off the Project Initiation Document (PID).
- ❖ To ensure clear budgetary information is reported through project highlight reports.
- ❖ To sign off change requests.

- ❖ Monitor project costs against budgets for project staff, meetings, expenses, user testing etc. and report these through the Project Highlight Report.
- ❖ To advise on budgets and tolerance levels.

Change Team Rep.

- ❖ To co-ordinate change activity across the portfolio of projects.
- ❖ To provide support and training on change management issues to projects as necessary.
- ❖ To drive and manage change.

Other representatives

- ❖ To provide expertise, input, advice and guidance.
- ❖ To monitor (and, where necessary, identify) and resolve risk, issues and policies and/or escalate them.
- ❖ To agree change requests that are within predefined tolerance levels.

Programme Management Office (PMO)

At a strategic level, the ability to:

- ❖ maintain a strategic overview of the programme;
- ❖ monitor overall progress of individual projects as well as to monitor and challenge when appropriate project risks, issues, timescales and budget;
- ❖ join together the projects and project streams and ensure that they remain in the same direction of travel;
- ❖ spot tensions within and between projects and project streams and resolve them;
- ❖ manage the interdependencies and conflicts between projects and project streams;
- ❖ capture and disseminate lessons learnt; and
- ❖ critically evaluate progress.

At a more detailed level:

- ❖ collate project plans;
- ❖ ensure the application of the project management framework;
- ❖ critically evaluate progress;
- ❖ progress chase;
- ❖ monitor change requests;
- ❖ monitor attendance at Project Boards and Stream Boards;
- ❖ ensure audit trails exist and are easily accessible for programme projects;
- ❖ escalate issues; and
- ❖ advise and service the programme board.