

Report Title: **External Reviewer Report on Key Projects Delivered by Haringey IT Services During the Period 2003 – 2006**

Forward Plan reference number (if applicable):

Report of: **Interim Director of Corporate Resources**

Wards(s) affected: **All**

Report for: **Key/Non-Key Decision**

1. Purpose

- 1.1 To consider the report of SOCITM Consulting, the external reviewer supporting the IT Scrutiny Panel of the Council's Overview and Scrutiny Committee in its scrutiny of the Haringey IT Services department's delivery of key projects in the period 2003 – 2006.
- 1.2 To provide an initial response to the report from relevant Council Officers as a prelude to consideration by the IT Scrutiny Panel of the report, its findings and the appropriate next steps for the Council.

2. Recommendations

- 2.1 That the Panel receives and considers the report of SOCITM Consulting arising from its review of the Haringey IT Services department's delivery of key projects in the period 2003 – 2006, which will be supported by a presentation from the report's author at the Panel meeting of 26th June 2007.
- 2.2 That having considered the report and presentation, and having put relevant questions to the report's author and to the Council Officers present, the Panel agrees the next steps to be taken in order to prepare a report to the Cabinet on IT Services project management.

Report Authorised by: **Tim Dauncey**
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3. Executive Summary

The Council has 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.

To undertake this scrutiny the Council has convened an IT Scrutiny Panel made up of Members, which has in turn appointed SOCITM Consulting as external reviewer 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. The Terms of Reference under which SOCITM Consulting were engaged are provided in Exhibit A attached to the current report.

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 to the Panel in order for them to begin considering their responses.

The current report from the Interim Director of Corporate Resources introduces the final report from SOCITM Consulting, which is attached as Exhibit B, summarises its key findings, and provides an initial response from the relevant Council Officers. This is a prelude to a presentation at the Panel meeting of 26th June 2007 from the author of the SOCITM Consulting report, which will in turn lead to a question and answer session led by the Panel members and involving the report author and the Council Officers present.

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

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

5. Local Government (Access to Information) Act 1985

5.1 Exhibit A is the Terms of Reference document previously agreed by the IT Scrutiny Panel, which covers the work undertaken by SOCITM Consulting during this review.

5.2 Exhibit B is the report from SOCITM Consulting on its findings from undertaking this review and its recommendations for future improvements.

6. Summary of SOCITM Findings and Recommendations

6.1 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.

6.2 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 23rd 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.

6.3 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 Insourcing programme.

6.4 While the general standard of project management was and is high, there are a few areas identified where improvements can still be made:

6.4.1 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.

6.4.2 Post-Implementation Review (PIR) -

This 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.

6.4.3 Budgetary Control -

While none of the projects reviewed in detail ran into budget control problems, and there is evidence that the Insourcing programme adopted the recommendations in this area from the Audit Commission report, there are still opportunities for some process improvements, which are documented in detail in the SOCITM report. Consideration should also be given to implementing SAP Project Systems and Investment Management modules, which have the potential to help in this area.

6.4.4 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.

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

7. Proposed Actions to be Agreed by the IT Scrutiny Panel

This report proposes that:

- 7.1 The Panel agrees the findings and recommendations of the SOCITM report, subject to any amendments agreed by the Panel in light of discussions held at the meeting of 26th June 2007.
- 7.2 If the Panel requires amendments to the SOCITM report before accepting it, that the Panel agrees a mechanism for reviewing and agreeing the amended report that is informed by the previously agreed timetable shown below:
- Meeting of Scrutiny Panel 26th June 2007 – Agenda to include
 - Presentation of external reviewer's report
 - Questions and discussion
 - Resolutions and recommendations on the report to be incorporated into the Panel's own report to the Cabinet
 - Meeting of Scrutiny Panel 17th July 2007 – Agenda to include
 - Scrutiny Panel Report
 - Agree recommendations in the report
 - Refer report to Cabinet
- 7.3 The Panel agrees the next steps required to develop a report to the Cabinet based on the SOCITM report and scheduled as timetabled above.

8. Comments of the Director of Finance

- 8.1 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.
- 8.2 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.

9. Comments of the Head of Legal Services

- 9.1 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.

10. Equalities Implications

- 10.1 There are no equalities implications.

Attached Exhibits

A	Terms of reference for the review
B	SOCITIM Review of Programmes and Projects – Project Report – Summary Including reports on individual projects / programmes as follows: <ul style="list-style-type: none">• Appendix 1 – CRM (Siebel)• Appendix 2 – eCare• Appendix 3 – e-Planning• Appendix 4 – Insourcing