

Project Governance & Management Framework

Summary: This report seeks to outline new project governance and management processes. The proposal seeks to satisfy recommendations made within recent audit reports and reflect responsibilities of various officers within the new management structure.

Options considered: Various options for improvements to Project Management and governance were considered as part of the proposal to form a Corporate Delivery Unit (CDU). These proposals were discussed by the Senior Leadership Team and Cabinet whose comments and steer have culminated in this paper.

Conclusions: The proposals provide a robust framework for improved project management across the Council and aim to satisfy recent audit recommendations. Supported by clear governance and reporting processes the proposal offers a solid foundation for moving forward, whilst also providing flexibility to refine and improve further as the process evolves. Training will be provided to officers and members on the process once approved.

- Recommendations:**
- 1. To approve the project management and governance processes detailed within this report.**
 - 2. To agree to establish a Cabinet Working Party to oversee key projects that form the delivery of the Corporate Plan, making recommendations to Cabinet as and when required and to agree the Terms of Reference for the Working Party as outlined on page 5 of the report**
 - 3. That the North Walsham Heritage Action Zone Working Party be dissolved, with oversight of the project now being undertaken by the Cabinet Working Party for Key projects**

Reasons for Recommendations: The Council recognises the need to improve and formalise Project Management practice across the Council. The proposal will satisfy Audit recommendations NN2001 Project Management.

<p>Cabinet Member(s) Sarah Butikofer</p>	<p>Ward(s) affected Potentially All</p>
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1. Introduction

Following receipt of a number of Internal Audit Position Papers and audit reports prepared during 2019 and 2020 containing recommendations that the Council's approach to project management should be strengthened, consideration has been given to the development of a new project management and governance framework.

Our response to the recommendations made in the Project Management Audit Position Paper NN2001 in October 2019 was as follows:

Response to Audit

Following the audit recommendations¹ the Council has been reviewing its approach to the way it manages projects and performance, this includes:

- *How it prioritises projects against delivery of the Corporate Plan*
- *How all projects (but particularly large projects) are managed*
- *How and when budgets are agreed*
- *What performance measures are appropriate and useful*
- *Clear definition for Project Managers regarding; the expectations of Senior Management and Members, minimum documentation requirements, reporting frequency etc*
- *Clear governance arrangements required for large projects (including project roles)*
- *Clear and transparent levels of project reporting*
- *Defined/Managed Corporate Programme management*
- *Training and development of officers to improve project management skills*
- *Commitment from Senior management to a project management framework*

To this end in 2019 an officer working group was set up to explore the opportunities for the creation of a Corporate Delivery Unit to help ensure a strategic and structured approach to managing these processes moving forward. In August 2020 the Chief Executive proposed a new management structure for the authority which would seek to strengthen project management and governance arrangements including defining the roles of key officers and members, the creation of a Corporate Delivery Unit to support strategic planning and implementation of the recommendations made by Internal Audit to improve project governance and management across the Council.

2. The Proposals

The officer working group has worked on creating a new framework which aims to meet the audit recommendations and reflect political and management aspirations and requirements. The following summarises the proposed processes to help ensure improved project management, governance and reporting across the Council.

Obtaining Project approval

1) Completion of project proposal and determination of project size

The initial stages of any project starts with the completion of a **Project Proposal**. This document seeks to determine the scope and potential budget of a proposed project. It

¹Listed in Appendix 1

encourages the writer to think about potential risks, timeframes, consultees etc. but just as importantly, should provide sufficient information to inform a decision regarding its outcomes and deliverability. The proposer determines the size of a project using a simple Q&A matrix. Examples of complete project proposals will be available to help those who have not completed one before. We would estimate it should take no longer than 1 hour to complete the form.

2) Project Check by CDU

Project Proposals are submitted to the CDU to be checked as follows:

- Completeness – have all questions been answered?
- Content – are the responses reasonable, considered and give sufficient information? Is there anything obviously unclear or omitted?
- Budgets – do the figures given look realistic? Have staff costs been taken into account etc. Have Finance colleagues been consulted?

The CDU will then run medium and large projects through 'a sieve'. This system gives a score to measure a project's deliverability and impact, including how it supports the delivery of the Corporate Plan.

2a Projects review by the Corporate Leadership Team (CLT)

Small projects (as defined at the Project Proposal stage) will be approved / rejected /parked by CLT or be requested to be elevated to Medium project status. Small projects are anticipated to be covered by existing budgets. Other projects will receive a light touch review to ensure they are suitable for discussion at Business Planning Group.

3) Business Planning Group (BPG)

All projects will progress to the Business Planning Group to consider but priority is likely to be given to those that score highly through the sieve.

The BPG does not 'approve' any projects but will:

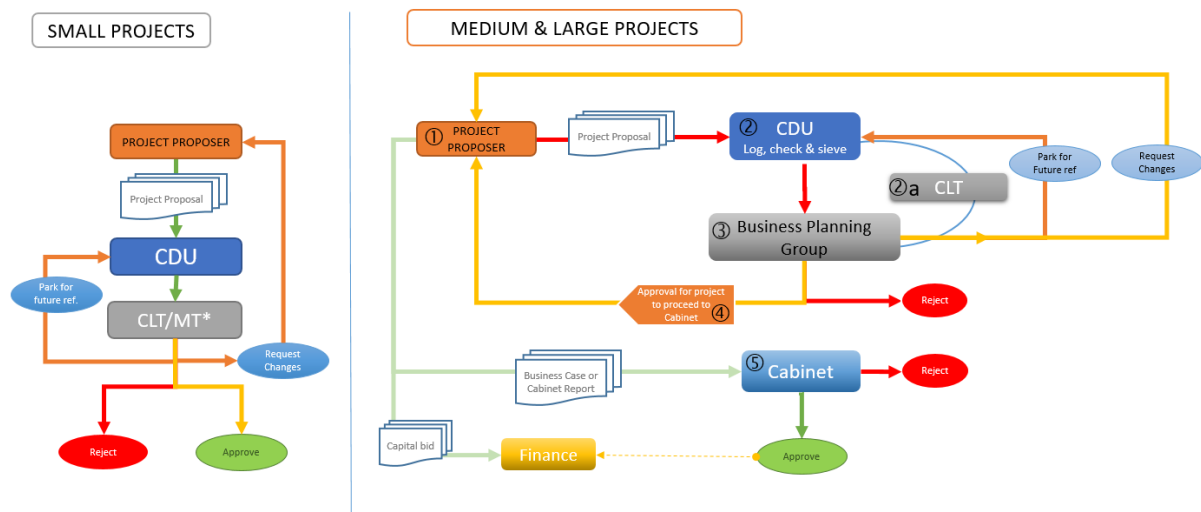
- a) recommend the proposal proceed to Cabinet with a Business Case or Cabinet Report
- b) request amendments or further detail
- c) park a project - suggesting the proposal is worthy but not a priority. Such projects may also be considered likely to attract funding and will be 'stored' for future use
- d) reject the proposal.

4) Cabinet

Cabinet approves or rejects the project. Projects should not receive funding offers or capital cost codes until Cabinet has formally approved the project. Previously the Finance team requested capital bid forms to be completed simultaneously but we are working on ensuring a system that can work as projects come forward, so as to be able to respond to Government and external funding opportunities outside of the annual capital programme process.

Approving projects should be a **standard** procedure.

Project Approval Process



* Any small projects that form part of the Corporate Plan will go to BPG to discuss

Fig 1: The project approval process.

Project Governance

Different sized projects will require different levels of governance. Fuller descriptions on roles and document templates will be available to officers through the refreshed **Guide to Project Management Processes**.

Small projects may consist of a team of 2 or 3 officers reporting to a Senior Responsible Officer (Section Manager or Assistant Director). A project manager needs to be identified but the creation of a Project Proposal is the minimum. They need to also issue a project closure notification once completed (or cancelled). Specific issues and exceptions can be elevated to MT/CLT for a decision. These are usually carried out using Revenue budget funds.

We anticipate approx. 60 small projects per year. Examples include; reviews, small refurbishments, cross team office moves, some software upgrades.

Medium Projects generally carry a larger (capital) budget and more risk but the team/service delivering the project is likely to have some experience in this type of work. Medium Projects do require a formal project team to be identified and it is suggested that the Project Manager should report collectively to a Project Board set up by each Assistant Director to cover all medium projects under their remit.

In order to provide better communication of information flow regarding medium projects the Portfolio holder(s) can be invited to attend service led Project Boards and can request the requirement to submit an update to a relevant Working Group if deemed necessary.

We anticipate approx. 40 medium projects per year. Examples include; Electrical vehicle charging, New build toilets, Mammoth Marathon, HR IT system.

Large Projects are likely to be those that aim to directly deliver the Corporate Plan, some may be high risk and/or high budget and more complex in delivery. They are also likely to include significant consultation/stakeholder engagement or working with external bodies.

Each of these projects will need a **Project Board** which reports to a Cabinet appointed **Working Group**. The Working Group will offer advice when required and sign off key milestones (e.g. major stakeholder events, contract awards etc.). They will make recommendations on exceptions that need elevating to Cabinet and risks that need to go to the Governance, Risk and Audit Committee (GRAC). They will provide an overview of all projects that support an element of the corporate plan. It is suggested that large projects report every 2 – 3 months to the Working Group.

We anticipate approx. 10 large projects per year. Examples include: North Walsham HAZ, New Sheringham Leisure Centre, 110k trees, Fakenham Urban Extension Roundabout Project.

Roles and Responsibilities

It is important, in order to prevent confusion, duplication or omissions, that governance is clear, with each group having specific tasks, authorities and scope. It is equally important to maintain the process to prevent projects starting without the required approval, coming to the table via ‘the back door’ and to prevent bias. Only by managing all projects via the same process can we ensure accountability, effective and timely reporting and remedial action.

Key points (for large and medium) projects are :

- Cabinet is the only body which can approve a project
- Budgets cannot be issued/used until approval is received from Cabinet
- Working Groups will receive updates from large projects only but can ‘call-in’ medium projects if required.
- Changes to scope or budget requirements must be elevated from Working Groups
- Portfolio Holders are key linkages between Project Boards and Working Groups
- Project Boards can only act within the scope and budget of the business case (or cabinet report), as was approved by cabinet.

Title: Working Group(s)	
Role	Responsibilities
<p>A group of 5 Cabinet Members.</p> <ul style="list-style-type: none"> • Portfolio Holders responsible for the Corporate Plan Objectives will attend these meetings. • A member of CLT will also attend these meetings. • The Chairman of the relevant O&S Panel will attend these meetings. <p>Meet every two months to maintain an overview of large projects on a rolling basis. Medium Projects can be ‘called-in’ if necessary.</p>	<ul style="list-style-type: none"> • To obtain and maintain an overview of a variety of projects that form part of the delivery of the Corporate Plan (possibly on a theme or service basis). • To receive exception reports (i.e. changes to budget requirements or a significant change of a project scope) from Project Boards and advise on their submission to Cabinet for approval. • To help with mitigating risk or elevating major risk to GRAC. • To provide sign-off of key milestones such as; <ul style="list-style-type: none"> ▪ approve contract awards within the scope of the project. ▪ approve public consultation elements ▪ determine areas of conflict • To Champion the projects, especially in the community and wider setting.

Title: Project Board	
Role	Responsibilities include
<p>Each Project Board will include an Assistant Director and the Portfolio Holder and is responsible for overseeing the progress of the project and reacting to any problems.</p> <p>A Project Board is not required for Small Projects where CLT will act in a similar capacity.</p> <p>Project Boards should meet every 6 – 10 weeks depending on the size and complexity of the project.</p>	<ul style="list-style-type: none"> • Championing the project and raising awareness at senior level. • Communicating with other key organisational representatives. • Recruiting project staff and consultants if needed. • Ensure the project team functions well – address any concerns or issues. • Approve detail of proposals that involve external parties • Advise and approve documentation including PID, Gantt charts, risks, lessons learned etc • Resolve issues, mitigate risk or if deemed necessary request elevation to a Working Group for decisions. • Ensure the project remains within timeframes, scope and budget

Title: Project Team	
Role	Responsibilities include
<p>A group of officers who actively work on the project, at some stage, during the lifetime of the project. Some may have a specific role.</p> <p>A Project Team should reflect the size of the project with large or complex projects potentially needing more internal (or external) stakeholders.</p> <p>Project teams will often meet every 1 – 3 weeks depending on the project timeframes.</p> <p>Meetings do not have to be formally minuted but action points should be recorded.</p>	<p>Team member roles will vary depending on the type of project. Typically they will;</p> <ul style="list-style-type: none"> • Work with the designated Project Manager to successfully deliver the project. • Manage and fulfil the communication requirements • Work with users to ensure the project meets business needs • Help to identify risks • Some may provide functional expertise • The group may deliver user training

There has been some discussion on the need for ‘themed’ Working Groups to make decisions – or whether just one meeting to cover all large projects would be preferable.

It is strongly recommended that the large projects should be split (potentially on a themed or service basis), on the grounds of;

- capacity for the working group attendees (it will take some time to work through potentially 10 projects). Having to manage 10 projects collectively will also significantly reduce the opportunity for Working Groups to ‘call in’ any Medium projects should they want to.
- capacity of the CDU and Democratic Services who will have to draw information from 10 different projects every month as opposed to 3 or 4 per month on a rolling basis.
- it would be disproportionate for a Working Group to meet more often than the Project’s own Project Board which we would anticipate meeting every 6 – 10 weeks meaning that in some cases there would be nothing to report.

Any significant project or corporate risk will be acknowledged at Working Group meetings and any change in status will be captured and reported to GRAC.

The role of the Portfolio Holder is pivotal in ensuring continuity and flow between meetings. Attendance at Large Project Board meetings and Working Group meetings will enable improved understanding of issues and flow of information.

Overview & Scrutiny will review both Project Working Parties and Cabinet decisions at O&S working panel meetings. These meetings will review projects on a themed basis. These working panels are expected to meet quarterly on a rolling basis.

Title: Overview & Scrutiny Working Panels	
Role	Responsibilities
<p>Three 'themed' Panels, all politically balanced and chaired by a member of the Overview & Scrutiny Committee.</p> <p>Membership of the panels can be drawn from across the Council.</p> <p>Cabinet members <u>cannot</u> sit on an O&S Panel but will be required to attend for projects relating to their portfolio(s)</p> <p>The Panels will review progress and scrutinise delivery elements of the Corporate Plan.</p>	<ul style="list-style-type: none"> To monitor the ongoing implementation of key programmes/projects to ensure they are achieving expected outcomes as outlined in the Corporate Plan Delivery Plan. Outcome measures developed as part of the performance framework will form a core part of each panel's monitoring role. Each Corporate Plan Themed Scrutiny Panel will establish its own work programme to agree how they will approach the CP themes/projects and, in conjunction with the relevant Portfolio Holders, agree which priorities they will focus on, and when they will be reviewed/monitored. Each panel will provide update reports to the Overview & Scrutiny Committee and specific reports to Cabinet when recommendations are made.

Project Governance

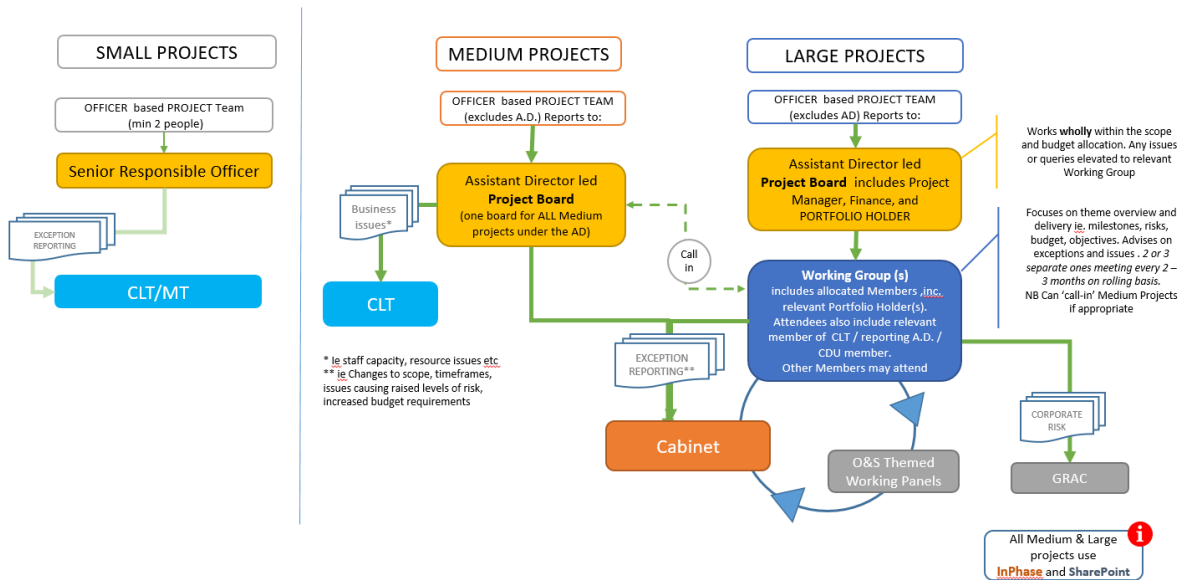


Fig 2 Project Governance

Further details on all roles and documentation is given in the 'Guide to Project Management Processes'.

3. Conclusion

The proposal, as outlined in this report, aims to provide a workable framework for improved project management across the organisation and satisfy audit recommendations. Supported by clear governance and reporting processes, the proposal offers a clear and solid foundation for moving forward, whilst also offering the flexibility to refine and improve as projects come forward.

Training will be provided to officers and members on the process once approved.

4. Implications and Risks

The main risk to the success of this proposal is to the process being agreed but not adhered to moving forward. It's critical that it is understood that ALL projects use the same route for approval and governance otherwise the process, and our ability to ensure improvements, will fail. The Corporate Delivery Unit will oversee the process and ensure consistency of approach from an 'independent' decision.

5. Financial Implications

There are no financial implications with this proposal. This proposal aims to reduce risk and ensure better management and accountability of project budgets.

6. Sustainability

This report does not in itself raise any issues in respect of sustainability.

7. Equality and Diversity

This report does not raise any issues in respect of equality and diversity.

8. Section 17 Crime and Disorder considerations

This report does not directly raise any issues relating to Crime and Disorder.

Appendix 1

Audit action points concerning general Project Management and Governance arrangements (NN2001)

<p>Action Point 1: Develop and implement a formal process for selecting which proposed projects should go ahead. This should include assessing whether the project is: suitable (i.e. meets the Council's corporate objectives) acceptable (to various stakeholders) feasible (sufficient resources, both financial and officer availability)</p>
<p>Action Point 2: Update the guide to project management. In particular, this should include: removing outdated references to posts/staff members developing a template for progress reports add Finance representation to project teams to advise on financial matters update project risk scoring to align with corporate risk scoring.</p>
<p>Action Point 3: Ensure consistency of documentation and record keeping for all projects, using a central database. Use of standard templates will enable more effective comparison between projects.</p>
<p>Action Point 4: Regular updates to senior management on project progress to be provided, including details of issues arising and remedial actions required. This should include updates on projects within the Digital Transformation Programme, although not at the same level of detail. Updates need to be at a frequency which allows the information presented to be meaningful/informative and allow queries/challenge.</p>
<p>Action Point 5: Initial project proposals and business cases to make reference to how the project will help to achieve the objectives in the Corporate Plan. Where exceptions are made, this needs to be clearly identified, along with the reason for the exception.(Links to Action Point 1, as this should be assessed as part of the project approval process.)</p>
<p>Action Point 6: Ensure that funding is formally confirmed and in place for all projects prior to approval and commencement – this links to the 'feasibility' criteria in Action Point 1.</p>
<p>Action Point 7: Funding requests to Cabinet/Council should be robust and have input from Finance, to reduce the risk of budget overspend and to more accurately control the Council's budgets.</p>
<p>Action Point 8: Initial risk assessments be completed consistently between projects, using a standard template and methodology. Risk assessments are subject to regular review and update including those in respect of the DTP* projects.</p>
<p>Project objectives and milestones are defined at the beginning of the project and progress against these is regularly reported on.</p>
<p>Post-implementation reviews to be completed for all major projects to identify areas of success and lessons learnt for future projects.</p>