GrantThornton

Plymouth City Council
Project Management Review

September 2011

Contents

1 Executive summary

Project management arrangements

The Council has improved its project management arrangements. It has developed comprehensive procedures and planned training to accompany the roll out of the procedures. However, as the procedures have not yet been approved the training programme has been delayed until approval has been given. Our review indicates that there are a number of areas where the procedures could be streamlined or simplified. The Council would benefit from reviewing the success of their application after a period of time and informing this review with feedback from those staff that have used them.

Compton Primary School

Compton Primary School followed the procedures and their project was delivered on time and is expected to be on budget. The School opened in September 2011. Key outcomes included an integrated pre-school, the replacement of temporary classrooms and an expansion of facilities to meet the rising demand as a result of the popularity of the school. Our review indicates that the project was led and managed well and a post project review is due to be undertaken in the near future.

Corporate accommodation strategy

The accommodation strategy is a council-wide change programme that incorporates new and different ways of working as well as changes in office accommodation. The Council has made good progress in making improvements to office accommodation and rationalising the number of offices. However, there is scope for it to further strengthen the strategic overview of the programme to ensure that there is sufficient capacity and resilience to deliver the ambitious objectives.

2 Introduction and background

Introduction and background

Our 2010-11 audit plan for Plymouth City Council (the Council) identified that we would assess the arrangements that the Council has in place to ensure strong project management arrangements with effective post implementation reviews of projects.

The purpose of the review is to assess the Council's project management arrangements to:

- provide assurance that robust project management arrangements are in place to ensure that projects are managed and delivered effectively within budget and timescales; and

- identify areas for improvement.

Scope of audit work

Our review considered the Council's current arrangements for project management and whether they are in line with best practice. We reviewed two projects to determine whether they had been managed in accordance with the Council's project management procedures. We discussed a number of potential projects with management before agreeing that we would focus on:

- Compton Primary School - one of the first projects to apply the project management procedures; and

- Corporate Accommodation Strategy - a programme in two phases where Phase 1 was intended to be completed and Phase 2 was due to start in the near future.

Following discussions, we agreed with management that we would undertake a more detailed post project review of the Life Centre, once it had been completed.

For Compton Primary School we considered:

- whether Compton Primary School was delivered in accordance with the Council's draft project management procedures;

- how well the Council defined project objectives to measure achievement against; and

- what post implementation review has been performed on the project, being the first project where the draft project management procedures were applied.

For the accommodation strategy we considered:

- whether the accommodation strategy was delivered in accordance with the Council's draft project management procedures;

- if not, whether the project objectives were achieved effectively through a different approach;

- how well the Council defined the project objectives to measure improvement against; and

- what post implementation review was performed on phase 1 of the project and how any learning points are being applied to phase 2.

The review included the following:

- review of documentation relating to the overall project management arrangements;

- interviews with relevant officers in relation to overall arrangements; and

- further document review and interviews relating to the two specific projects.

Code of Audit Practice

Under the Code of Audit Practice, we are responsible for issuing a conclusion on whether we are satisfied the audited body has proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Our VfM conclusion for 2010-11 at the Council will be informed, in part, by this review.

Use of this report

This report has been prepared to advise the Council of the matters arising from our work and should not be used for any other purpose or be given to third parties without our prior written consent.

Our report is part of a continuing dialogue between the Council and ourselves and should not be relied upon to detect all opportunities for improvements in management arrangements that might exist. The Council should assess the wider implications of our conclusions and recommendations before deciding whether to accept or implement them, seeking its own specialist advice as appropriate.

We accept no responsibility in the event that any third party incurs claims, or liabilities, or sustains loss, or damage, as a result of their having relied on anything contained within this report.

Acknowledgements

We would like to record our appreciation for the assistance and co-operation provided to us during our work by the Council's officers.

Grant Thornton UK LLP
September 2011
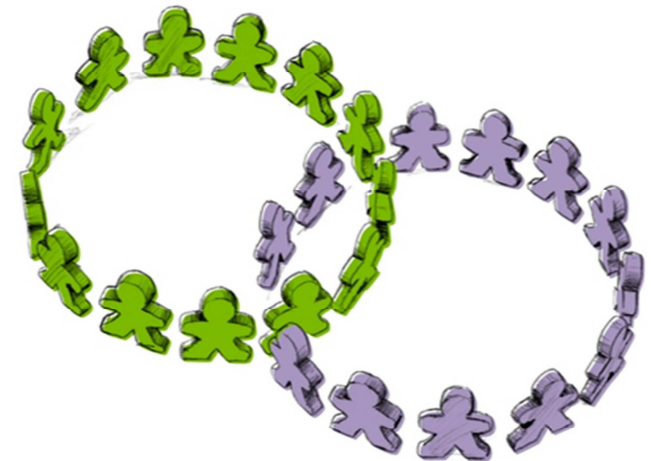
3 Detailed findings

Overall project management arrangements

Status of project management procedures

The Council developed its project management arrangements in 2010, which are now underpinned within comprehensive project management procedures. This represents good progress in moving from a position where there was no formal approach to a common set of guidelines for all projects to follow. The Council also developed a capital programme governance policy in January 2011.

These procedures were presented for approval to full Council as part of the Constitution in June 2011. However, at this time, members decided to defer the adoption of the new Constitution until October 2011. As a result, the new project management procedures were not adopted. Whilst we recognise that the Council want the procedures to be authorised as part of standing orders, we believe that it is important to retain flexibility so that the procedures can be updated as and when required and authorised independently of the full standing orders. As a result of this delay , projects are not consistently following the revised procedures.

The Council has developed a training programme to accompany the new procedures but this is not going to be rolled out until the procedures have been approved. Consequently, there are a number of project managers who are not yet aware of, or trained to apply, the procedures.

Recommendation 1

Approve the project management and capital programme procedures and ensure that the training programme to support them is rolled out in a timely way to maximise their impact and benefit.

Content of procedures

The project management procedures are comprehensive and clearly set out the respective roles and responsibilities, stages of projects, documentation required and the expected performance management arrangements. They follow good practice in setting out that post implementation reviews and benefits realisation are essential. In addition, they provide guidance on how to determine whether a project is major or minor and recognise they will need to be applied differently for each individual project. They also state that a communications plan is required for all major projects at the outset. The procedures apply to all capital projects as well as larger revenue projects, both of which are scrutinised by the capital delivery board.

Although the procedures apply to both capital and revenue projects, they were originally written for capital projects. Consequently the language is geared towards construction and capital works. For example, Section 3 is titled 'Project Design Development (e.g. in construction RIBA Stages D-E or equivalent). The first sentence reads 'The Design Development Stage (D) enables the development of the concept to operational, structural/engineering and building services systems, updated outline specifications and cost plan'. This language is capital focused and makes it more difficult to apply to revenue projects. In our view, the procedures that apply to revenue projects need to be clearer so that all project managers can easily apply the guidance.

Recommendation 2

Ensure that guidance, language and terminology used in the procedures is clear for revenue projects.

Language and structure of procedures

Our review of the project management procedures concluded that they are comprehensive and cover all key requirements but that the language and structure could be improved. For example the flowcharts in the appendices applying to major and minor projects are long and complex. Also, the must-do elements of the procedures, such as the project brief, are combined with background information, such as 'what is project management'. The procedures could be made clearer if there was a summary sheet at the front, explaining in plain English, what must be done to manage a project, followed by the more detailed explanatory procedures.

The project management procedures are 29 pages long and contain a large number of technical and professional phrases that are not easy to understand. Our view is that the Council could use more plain language that would present the information and requirements more clearly and concisely, which would make them easier to read and apply. In addition, we believe that wider use of the active rather than the passive case, would make sentences shorter and using plain English would help to both clarify the procedures and reduce their size.

If the procedures are not clearly written, there is a risk that project managers will not follow essential elements of them or choose not to use the procedures at all because they are perceived to be too cumbersome.

Overall, we consider that the procedures are sufficiently comprehensive and fit for purpose that their approval and roll out is not delayed to make further amendments. We suggest that the Council approves the procedures, rolls out the training programme and applies them to all projects. The Council should then set a timeframe to 'road-test' the procedures and seek feedback from the project managers who use them. Once they have been is use for this timeframe, for example a year, the Council should review all of the feedback obtained and update the procedures based on the range of views obtained.

Recommendation 3

Review project management procedures when they have been in place for an agreed period of time. Use feedback from project managers to make them clearer and more concise, removing technical language and using plain English.

Involvement of support services

The Council recognises in its procedures the importance of consultation with stakeholders and that successful delivery of projects depends on good communication. The Communication Plan should define the means and frequency of communication between interested parties.

The participation of ICT and other corporate support services are not specifically mentioned in the procedures. It is important that ICT implications are taken into account at an early stage within a project. If ICT are not involved at the outset, there is a risk that late requests for support or equipment may be made that the service is not able to meet within the expected timescale or budget. This might result in the whole project not being delivered on time, to the right quality, or within the overall budget.

For some smaller projects, the ICT implications may be relatively minor. However, a lack of involvement could still lead to delays in delivering the project.

New project management software is now used by some departments of the Council. It enables these projects to monitored more effectively. Currently it is difficult for the Council to review progress on all projects using the monthly dashboard reports because the new software is not widely used. The Council's project management arrangements will be more effective when the new software has been rolled out.

The impact of not involving other support services, such as HR, should also be considered as this may give rise to a range of unexpected consequences, such as low morale or dissatisfaction with changes. The procedures should be strengthened to specify the involvement of key corporate support services in projects at the outset.

Recommendation 4

Project management procedures should require the early involvement of key corporate support services, such as ICT and HR, wherever relevant.

Role of project managers

Many officers in the Council carry out project management tasks. A number of officers are required to assist in the delivery of one-off projects, whilst others have project management as a small part of their overall role. Others have the title of Project Manager, but do not routinely undertake project management responsibilities as part of their day to day role.

Project managers are currently dispersed across the Council in different departments and services. Bringing project managers together in one location may help the Council to ensure that all projects are planned and managed in a consistent way and meet the required standards set out in its project management procedures.

The lack of clarity over the role of project management within posts gives rise to a risk that some officers that are expected to fulfil this role are not adequately skilled because they are only responsible for a limited number or single projects or undertake them on an ad hoc basis. We believe that the Council would benefit from more clearly defining which posts it expects its project managers to be in in order to target and prioritise project management training effectively. Otherwise the Council risks inefficiencies in carrying out project management training and in the management of projects.

The project delivery team has recently improved its capacity to manage and deliver projects. All members of the team have undertaken comprehensive project management training and are well equipped to manage project delivery. The successful delivery of projects has been recognised by the team receiving a number of local and national awards.

Recommendation 5

Review the role of project managers. Ensure training is targeted to officers who will manage projects in the future. Consider the benefits of bringing together project managers in one location.

Post implementation reviews

The procedures correctly emphasise the need for a robust post implementation review of projects to determine whether the planned benefits, as set out in the business case, have been achieved. This is recognised as good practice. Reviews have started to be carried out when projects have been completed and reviews are planned to be performed consistently when all project managers have been trained.

Recommendation 6

Ensure that robust post project implementation reviews are undertaken as set out in the project management procedures.

Identifying and replicating best practice and avoiding pitfalls

The Council logs the lessons it learns from carrying out projects. These lessons are fed back to the capital delivery board so that the key issues learnt can be carried forward into future projects. The capital delivery board recognises the need to prevent any mistakes being repeated in future projects and to learn from successful experiences. We believe that the Council would benefit from disseminating this information more widely, for example by including key lessons (such as 'Hints and Tips and Areas to Avoid') in any future project management training programmes.

Recommendation 7

Ensure that the outcomes and key lessons from previous projects are disseminated appropriately.

Compton Primary School

The aim of this project was to improve the facilities at Compton Primary School by replacing three temporary classrooms with seven additional classrooms as well as an integrated nursery. The original budget increased from £900,000 to £1,304,000 following the feasibility study.

The project was one of the first to apply the draft project management procedures. We have concluded it was both led effectively and managed well. The procedures were used as guidance rather than a checklist of items to be followed. The experience of the project manager meant he was able to influence and persuade interested parties at an early stage to ensure all parties were committed to the project at the outset. These leadership skills combined with good guidance combined to produce a successful project. The School opened September 2011 and was on target against its budget.

The project was closely monitored with a monthly dashboard identifying the overall progress against the planned programme. It also set out the risks which could impact upon the project and mitigating actions as well as strong financial management through forecasting cumulative actual spend against budget. This ensured that issues could be identified early and enable appropriate actions to be taken.

As a result of following the procedures and clear leadership, the project has achieved the intended outcomes, including an integrated pre-school, the replacement of temporary classrooms and an expansion of facilities to meet the rising demand as a result of the popularity of the school It was delivered on time and on budget. The next stage is to implement the post project review to share the key learning points from this development.

Recommendation 8

Implement the post project review for Compton School and share the learning points with other project managers.

Publicising success

This project is a good example of successful project management delivery. It has achieved positive outcomes for the residents of Plymouth and contributed to delivery of the Council's priorities. This is a good news story that the Council could share widely as an example of good project management. Reflecting this within the planned project management training would be an effective way to provide context and practical experience of the new procedures.

Applying the procedures and having an experienced project manager have been key factors in achieving planned outcomes for this project.

Recommendation 9

Publicise successful projects to generate pride and so that others can learn lessons from the success.

Corporate Accommodation Strategy

The accommodation strategy is a major change programme involving the introduction of new and different ways of working as well as rationalising the number of offices. There are two phases - phase one covers rationalising or refurbishing the four main large buildings owned by the Council plus some smaller buildings. The four main offices are the Civic Centre, Midland House, Windsor House and Ballard House.

Phase Two covers the refurbishment or disposal of a range of smaller buildings. Phase one is not yet complete due to the uncertainties over the future of the Civic Centre. The original intention to dispose of this property was frustrated when it was awarded Grade II listing status and the Council is currently considering a range of possible alternative options.

The aims of the accommodation strategy are clearly set out in the business plan. They are to:

- reduce the number of properties the Council is using;

- reduce revenue costs, the Council's carbon footprint and backlog maintenance; and

- achieve capital receipts and increased rental income.

Although phase one has not been able to be completed, due to the listing of the Civic Centre, we commend the Council for adopting a pragmatic approach to deal with the unexpected challenges that situation presented and for bringing forward the delivery of Phase Two, in order to achieve the planned savings.

Corporate support services

The Council is looking to introduce a range of new ways of working. One of these is the introduction of hot-desking, where there are 8 desks for every 10 members of staff. To ensure that this initiative is successful, it is vital that the Council has effective staff engagement arrangements in place so that there is a sound and full understanding of the change in working practices and the impact, and benefits, it will have for individuals and for the Council as a whole. The Council has recognised that this ambitious project will not be achieved without HR, ICT and property services working closely together.

HR involvement ensures staff understand how they are affected by the changes in working environment and that any concerns they have are heard. This helps to ensure morale is maintained. The HR service is delivering change workshops and monitoring the perceptions of staff before, during and after the move. This has shown that perceptions of the changes are usually improving after the workshops, although they occasionally drop back slightly after the move, which is an area that the Council may wish to investigate further to establish if there are any other mechanisms they could deploy to maintain staff morale.

As mentioned earlier in this report, ICT is not always involved at the outset of a project. However the Accommodation Strategy is a good example where the Council recognises that ICT is an essential part of the successful delivery of the intended outcomes. This means that ICT equipment can be in the right place at the right time and office moves are able to occur on the dates planned.

Planned outcomes

To date the Council has delivered a number of the planned outcomes from this programme. These include:

- the disposal of properties such as Fairbairn and Chaucer House; and

- refurbishment and a more effective utilisation of working space in the Civic Centre.

These changes have resulted in an improved working environment and capital receipts from the sale of surplus properties. In the Civic Centre more efficient use of space has resulted in a more spacious working environment with less paper, improved workstations and better meeting spaces.

The expenditure and expected benefits are being tracked through regular reports and there are regular detailed delivery board reports showing progress and actions taken. Whilst this is very positive, our review has identified that it is not straightforward to compile these reports, especially where a project has deviated from the initial plan. A simple 'dashboard' report including time and costs (expenditure and savings) could more clearly set out, at the strategic level, whether the overall programme is meeting its objectives. Information about individual workstream is evident and the way the Council is tracking benefits is good practice, but the Council cannot currently easily assess progress of the strategy as a whole.

Recommendation 10

Develop a high level programme reporting system for the accommodation strategy which tracks progress against financial and non-financial objectives.

Swift progress in the accommodation strategy has been achieved largely because of dedicated key individuals. A number of offices are being disposed of or refurbished simultaneously and the interdependencies need to be understood and communicated. There are risks in attaching the responsibilities for such a large programme to any one individual. While HR has a full time secondee to the strategy, there is no overall full time responsibility for delivery of the programme below the level of Senior Responsible Officer. To mitigate the risks associated with the concentration of

demands upon too few staff and ensure that there is sufficient resilience in the delivery team, the Council should enhance capacity and develop contingency plans to ensure the continued successful delivery of this major change programme.

Recommendation 11

Strengthen arrangements for the team responsible for delivering the accommodation strategy to ensure they remain resilient and there are contingency arrangements if required.

A Action plan

Rec No	Recommendation	Priority	Management comments	Responsibility & implementation date
1	**Procedures - approval and training** Approve the project management and capital programme procedures and ensure that the training programme to support them is rolled out in a timely way to maximise their impact and benefit.	High	Agreed If the revised constitution, including the project management procedures, is not approved in October 2011, the procedures will be reviewed as per Item 3 and training implemented.	Capital Programme and Projects Manager January 2012
2	**Procedures - revenue projects** Ensure that guidance, language and terminology used in the procedures is clear for revenue projects.	Medium	Agreed	Capital Programme and Projects Manager January 2012
3	**Procedures - review** Review project management procedures when they have been in place for an agreed period of time. Use feedback from project managers to make them clearer and more concise, removing technical language and using plain English.	Medium	Agreed Procedures have been in use for enough time now to enable feedback to be incorporated now.	Capital Programme and Projects Manager January 2012
4	**Procedures - corporate services** Project management procedures should require the early involvement of key corporate support services, such as ICT and HR, wherever relevant.	Medium	Agreed This can be incorporated in the revision as per Item 3.	Capital Programme and Projects Manager January 2012

Rec No	Recommendation	Priority	Management comments	Responsibility & implementation date
5	**Project managers and team** Review the role of project managers. Ensure training is targeted to officers who will manage projects in the future. Consider the benefits of bringing together project managers in one location.	Medium	Agreed	Capital Programme and Projects Manager April 2012
6	**Post implementation reviews** Ensure that robust post project implementation reviews are undertaken as set out in the project management procedures.	High	Agreed	Head of Capital and Assets March 2012
7	**Outcomes and key lessons** Ensure that the outcomes and key lessons from previous projects are disseminated appropriately.	Medium	Agreed This can be done alongside the consolidation of Project Management functions across the council.	Head of Capital and Assets March 2012
8	**Compton School** Implement the post project review for Compton School and share the key learning points with other project managers.	High	Agreed	Cost Manager (Project Services Team) March 2012
9	**Publicise success** Publicise successful projects to generate pride and so that others can learn lessons from the success.	Medium	Agreed	Head of Capital and Assets On-going
10	**Accommodation strategy reporting** Develop a high level programme reporting system for the accommodation strategy which tracks progress against financial and non-financial objectives.	High	Agreed	Head of Capital and Assets January 2012

Rec No	Recommendation	Priority	Management comments	Responsibility & implementation date
11	**Accommodation strategy team** Strengthen arrangements for the team responsible for delivering the accommodation strategy to ensure they remain resilient and there are contingency arrangements if required.	High	Agreed	Assistant Director of Finance, Assets & Efficiencies January 2012