TRANSFORMATION PROGRAMME

The risks of delivery in the Transformation Programme

Background

This paper provides the Audit Committee with a summary of the management measures that the Portfolio Office is taking to control the risk to the delivery of the financial benefits for Plymouth City Councils transformation.

As described in the Medium Term Financial Plan the Transformation programme represents the proactive plan to bridge the funding gap and to radically change the way that services are delivered in order to further reduce costs in future years.

The challenge set was to achieve the delivery of the following financial benefits over the first three years:

Financial Year 2014 /2015   £6.768M   forecasted outcome is £7.180M
Financial Year 2015 /2016   £13.611M
Financial Year 2016 /2017   £8.818M

Alongside this there are significant non-financial benefits that are aligned to the Programmes and projects but are not covered in this report.

Methodology

The Portfolio Office is implementing a methodology known as Portfolio Management to deliver the transformation programme which is seen as 'industry best practice' and is sponsored by the Cabinet Office. This discipline is endorsed and regularly reviewed by The National Audit Office who has highlighted the importance of the methodology and its ability to successfully deliver and realise benefits. This methodology better coordinates investment in programmes and projects improving the management of risk, encouraging collaborative working and by providing accurate, timely information that enhances management decision making and enables Plymouth to:

- Invest in the right programmes and projects
- Ensure successful delivery in terms of time, quality, budgets and benefits

The Portfolio Office implements standards and processes which apply to all Projects, Programmes and Portfolio (P3M). In simple terms the Portfolio Office manages a hierarchy of selected programmes and projects (Figure 1) that will deliver benefits to Plymouth City Council. These benefits either have a financial impact, social impact or an efficiency improvement. In general given the main aim of reducing operational cost to support service delivery the programmes will aim to increase income, remove, reduce, avoid or share cost.
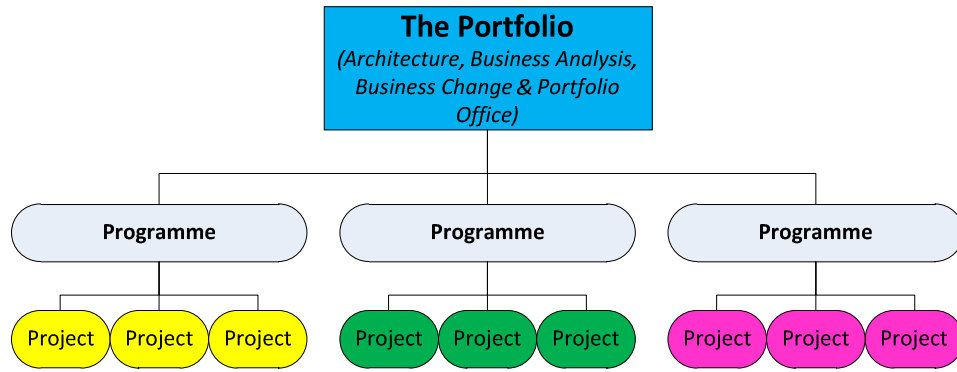
Figure 1: The Hierarchy of Portfolio, Programme and Project Management (P3M)

This hierarchical system allows Projects to be managed by Programmes and Programmes to be managed by The Portfolio. These all link together using common practices, technology, language, rules and processes. This best practice framework is depicted in Figure 2.
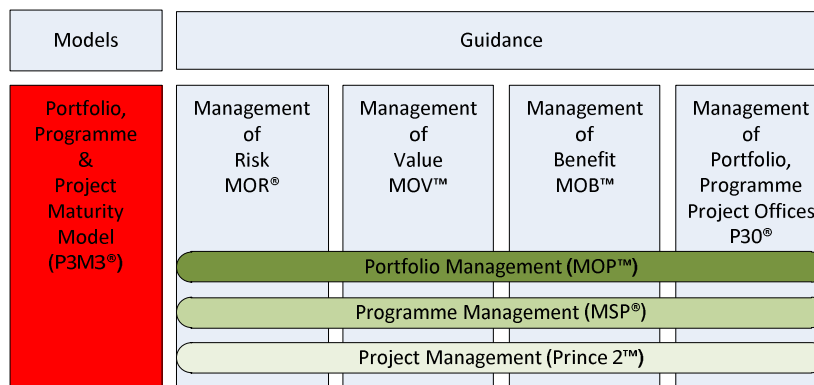

Figure 2: Cabinet Office endorsed best practice.

The Portfolio, Programme and Project Maturity Model (P3M3) shown in Figure 2 is a standardised maturity assessment that is available to be purchased through Government procurement frameworks. Thus far in the UK the industry has seen 220 completed and added to the database of standards. The scoring results against each section are on a 1 to 5 sliding scale. Thus far no one in the UK has achieved level 5 maturity. In November 2014 PCC commissioned its first Portfolio, Programme and Project Maturity Model (P3M3) and gained an overall rating of 1.6 which for its embryonic state is a very sound result. A further audit is booked for September 2015 and March 2016 with the aim of achieving levels two and three respectively. If achieved this would place PCC alongside some of the highest in the UK. Interestingly PCC scored 3 on risk management in November 2014.

In summary, Plymouth City Council are following and improving within the industry best practice to achieve the benefits that it needs to achieve. The methodology effectively spreads the risk of non-delivery of financial benefits by breaking it up, making it more achievable and easier to deliver. This removes reliance on a single solution and allows flexibility to achieve the target given that some may under or over achieve.

Governance

The Portfolio Office has taken the governance procedures that it needs to achieve successful delivery and has achieved a fit with the governance procedures of Plymouth City Council. As such we currently either deliver or report to the following on a regular basis through Cabinet Members, Chief / Senior Officers and Programme Managers:

- Council
- Cabinet
- Audit Committee
- All Scrutiny Committees
- Corporate Risk
- Departmental Joint Consultation Committee
- Lead Union Representatives
- Cabinet Portfolio Holders for all areas
- Cabinet Portfolio Holder for the Transformation Programme

Further to this the Portfolio Office also runs a number of boards as shown below to achieve the P3M momentum, monitoring and ultimately drive towards delivery.

- Transformation Advisory Group (Cross party and transformation open discussion on progress) held monthly.
- Transformation Portfolio Board (Performance) CMT + Head of Portfolio + Comms) held monthly.
- Transformation Portfolio Board (Momentum) held monthly
- Transformation Programme Boards (for each programme chaired by their Director (SRO) and internal Audit in attendance Appendix 1 of Audit Plan)
- Transformation Project Boards (for each project chaired by their Project Executive who in the main are AD's)

At each of the performance boards standing agenda items that are reviewed and monitored are:

- Issues
- Risks
- Benefits
- Finances
- Progress against planned programme
- Engagement and Communications

In summary, the transformation process receives in the order of 60 hours overview and scrutiny per month from different groups.

Issue and Risk Management

Issues and risk management occurs in accordance with MOR®. This means that a standardised risk register (agreed with corporate risk) populated and reviewed by project boards and teams is used as a live document and actively managed to ensure that the risk is reduced and that issues do not form. If they do then they are managed actively and escalated to Programme Board to gain further support. This again escalates to Portfolio if unable to solve or critical to delivery. Portfolio maintains the link between the Transformation Programme and the Corporate Risk Register. Specific Risks may then be moved to the Corporate/ Departmental or Service Risk Registers if appropriate. Internal Audit sits in this process. Reporting through the P3M process above each Project Executive and Programme Senior Responsible Owner is accountable for their Risks and Issues.

Benefit Management

Benefit Management is embryonic at this time but is forming into a clear process within the organisation. Again this will be managed in line with MOB™ with the Finance team having ownership of the recovery and the budgets and the Performance Policy and Partnership team having ownership

of the independent reporting but the coordination and delivery through the Portfolio Office. In this way the actual benefits are verified by two separate teams. Reporting through the P3M process above each Project Executive and Programme Senior Responsible Owner is accountable for their benefits.

Financial Management

Financial Management of each Project or Programme is the responsibility of the appropriate project or programme manager, this is then coordinated and challenged and controlled by the Portfolio Office who is ultimately responsible for the budgets allocated. As depicted in the Budget transformation is now at the centre of the budget setting and as such has a dedicated link into Finance who is coordinating the numerous revenue and capital budgets with reporting through the P3M process above and Project Executive and Programme Senior Responsible Owner who are accountable for their expenditure. Again Internal Audit will have regular access to the ongoing work with confirmation from the Finance team.

Planning & Progress

All Project and programme planning is again managed through the P3M process with the Portfolio office identifying dependencies upon critical points in other programmes and projects. These then are de-conflicted or coordinated as required to ensure that progress is as efficient as possible. The Portfolio Office also maintain a lessons learnt process which gathers sorts and aligns for easy reference and learning any lessons learnt through the lifetime of a project. This will allow the Portfolio Office to draw upon learning for future projects.

Training

Training is at the heart of the methodology with team members receiving regular professional development training. Significant Training has been completed in all capabilities within the team.

Training course	No	Comments
TPS Basic (CPS)	45	
MS Project Basic (CPS)	48	
PRINCE2 Foundation (Aspire)	17	All delegates achieved Foundation status. Further staff attending in March/April.
PRINCE2 Practitioner (Aspire)	15	All delegates achieved Practitioner status. Further staff attending in March/April
BA Module 1 Foundation (AssistKD)	12	All BAs currently in post now have a timetable of training courses/exams culminating in BCS Diploma in Business Analysis
TPS Sharepoint and documentation (CPS)	36	
Align PPM fundamentals & Align (Aspire)	47	
Align PM - Benefits management concepts (Aspire)	6	
PM - Planning concepts (Aspire)	5	
PM Risk Management Concepts (Aspire)	15	
PM Business case and Finance concepts (Aspire)	15	
Web Author Training (PCC)	12	
ASDV Toolkit training (PCC internal)	6	
Managing Successful Programmes	2	1 further to take in May

Foundation/Practitioner (BMC)		
Management of Risk Foundation/Practitioner (BMC)	1	Achieved Practitioner status
Business Architecture for Enterprise Architects (QA)	2	1 further to take in April
APM (stage 1)	5	
Principles of Change Management (QA)	8	All delegates achieved Practitioner status.

Summary

In summary, Plymouth City Council is on a journey to deliver a Portfolio Project Management process which will allow the city to control change in an economic and efficient way to support the organisation going forward. The use of industry best practice is achieving clear and efficient management of change. The results of this investment are already bearing fruits in the achievement of the first year of benefits.