

BABERGH DISTRICT COUNCIL

FROM: Head of Contract and Asset Management

REPORT NUMBER: **J93**

TO: OVERVIEW AND SCRUTINY
(STEWARDSHIP) COMMITTEE

DATE OF MEETING: 22 September 2009

MONITORING THE MANAGEMENT OF MAJOR PROJECTS

1. PURPOSE OF REPORT

To advise your Committee of the management arrangements now in place to ensure improved monitoring of major projects undertaken by the Council.

2. RECOMMENDATIONS

- 2.1 That the management arrangements now in placed for monitoring the Council's major projects be noted.

The Committee is able to resolve this matter.

3. FINANCIAL IMPLICATIONS

- 3.1 The delivery of major projects almost invariably entails the expenditure of substantial budgets for each project. Although this report does not specifically involve a particular item of expenditure the management systems put in place has been designed to ensure that budgets are fully monitored throughout a project, thus reducing the risk of unplanned expenditure.

4. RISK MANAGEMENT

- 4.1 This report is most closely linked with the Council's Significant Business Risk No.9 – Management of Projects & Programmes.
- 4.2 Reference is made to the contents of this report in the earlier report (Paper J92 – paragraph 5.16) on your agenda in relation to the Council's Significant Business Risks Action Plan.

5. KEY INFORMATION

- 5.1 In March 2008 Management Team agreed that a Programme Board be established to monitor the implementation of major projects being undertaken by the Council, and in particular those projects that cut across Divisional Teams. In addition it was anticipated that, by having some Board members who had previous experience in project management, that officers running projects, perhaps with little experience, could also be supported as well as being monitored.
- 5.2 In general the projects would not include construction-related projects within the Housing Revenue Account because these were already fully monitored in the Contract & Asset Management Division.

5.3 A project is defined as a body of work that:

- Introduces change
- Creates specific results using defined resources
- Has an aim or a benefit
- Contains agreed objectives
- Involves multi-disciplinary teams
- Has a definite start and finish
- Has an element of uniqueness

5.4 The membership of the Programme Board is:

- Ryan Jones (Head of Contract & Asset Management) - Chair
- Bob Southgate (Head of Customer Services)
- Malcolm Firth (Head of Natural & Built Environment)
- Tim Mutum (Project Executive)
- Information Management & Technology Manager
- Carl Reeder (Information & Project Manager)
- Specific Project Sponsors (normally Heads of Service)
- Specific Project Managers (normally Senior Managers)

5.5 The objectives of the Programme Board are:

- To hold regular meetings
- To accept Project Initiation Documents (PID's) from the Project Sponsors after approval by the Council's Management Team (see Appendix A attached for the PID template). The PID has been designed to ensure that the project:
 - Meets the Council's strategic objectives & Medium Term Plans
 - Identifies internal and external stakeholders
 - Has the appropriate budget approvals
 - Has an identified programme for implementation with key milestones
 - Identifies the resources required for delivery (both internal & external)
- To accept Project Status Reports (PSR's) from the nominated Project Managers (see Appendix B for the PSR template). The PSR is the key document used by the Project Managers and the Programme Board for monitoring the project. It has been designed to ensure that:
 - All project milestones are identified with target dates and actual dates
 - Expenditure is projected against budget, and monitored against budget
 - All risks related to the projected are identified and reported against
 - Key accomplishments are noted
 - Supporting notes are provided to help the Board in its monitoring role

The key feature is the 'status' column, which operates on a 'traffic light' system (red, amber, green). This ensures a quick and focused method of identifying and discussing problems that may or in fact have occurred.

- To provide an overview of all projects through the production of a Big Picture Plan (BPP). The most recent version of the BPP is attached as Appendix C to this report. This again uses the traffic light system for ease of reference.

5.6 The current projects either being monitored by the Programme Board, or are shortly to be included are:

- LAMP
- CAST (Phase 2)
- IBS Development
- Hadleigh Community Facility
- Joint Municipal Depot
- Kingfisher Leisure Centre Improvements
- Building Control Partnership
- Waste & Recycling Contract – Round Changes
- Haven Gateway – Sudbury Town Centre
- Haven Gateway – Improvements at Pin Mill
- Hadleigh Pool Improvements (Sport England)
- Improved arrangements for Section 106 Contributions

Note: not all these projects are at a point where they are included on the Big Picture Plan.

6. **CONCLUSION**

A framework for managing the Council's major projects is now in place. If operated effectively it will not only ensure projects are monitored from inception to completion, but will also ensure targeted support is provided where necessary to relevant Project Sponsors and Managers.

7. **APPENDICES**

Appendix A – Template for Project Initiation Document (PID)
 Appendix B – Template for Project Status Report (PSR)
 Appendix C – latest version of the Big Picture Plan

8. **BACKGROUND PAPERS REFERRED TO:**

None

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Project Initiation Document (PID)

APPENDIX A

For Outline Business Case / For project to go live (delete as appropriate)

Project Title

Project Ref. No.

FORM COMPLETED BY	<Who is filling in the form>
DATE COMPLETED	<When from was completed>
PROJECT MANAGER	<Who will manage day-to-day>
PROJECT SPONSOR	<Head of Service responsibility>

ESTIMATED START DATE	<When project should start>
ESTIMATED COMPLETION DATE	<When project will finish>
REVENUE BUDGET ALLOCATION	<What revenue funds allocated or approved>
CAPITAL BUDGET ALLOCATION	<What capital funds allocated or approved>

PROJECT SUMMARY / STATEMENT OF NEED

<Why are we doing this project? What are the clear and tangible benefits? What are the consequences of not doing this project? What has happened so far? What approvals have taken place? What are the major risks (both in doing and not doing the project)? Who is going to be impacted.>

PROJECT MANAGER	NAME	SIGN	DATE
PROJECT SPONSOR	NAME	SIGN	DATE
APPROVED CORP DIRECTOR	NAME	SIGN	DATE

No.	Criteria	Comments	Evidence	
1. SCOPE, OBJECTIVES, SUCCESS CRITERIA, BENEFITS & DELIVERABLES				
1.1	Project objectives. <i>Please state clear, measurable objectives for the project.</i>	<These should be measurable "x will improve by 25%" or "Y will be reduced by £12,000 per year". Objectives could be time constrained or due to statutory requirements.>		
1.2	What are the project success determinants?	<What will determine this project as a success? This could link to objectives in 1.1>		
1.3	What benefits will the project bring to the organisation or wider Community?	<Looking outside your service area or the organisation what impact will this project have.>		
1.4	Who will benefit from this project and by how much?	More specific than 1.3 and seeking specific quantifiable data.		
1.5	Over what period can these improvements be expected or realised?	<When will the improvements start to be realised; weeks, months or years? Give date.>		
1.6	What constraints are there on this project?	<Could be time, money resources, human resources (skills or numbers of personnel), working with partners, geographical, specification of risk, etc.>		
1.7	What other options have been considered and why this one?	<Was this the only option considered? If not, list the alternative options.>		
1.8	What is the potential political impact?	<Does this project have a high political profile? Is it in the public eye? Is this project closely linked with corporate aim or objective? If it goes wrong, what is the likely fall out?>		
1.9	What Member group or Member champion is involved in this and what has happened to date?	<State Member group or Member Champion>		
1.10	Has an Equality Impact Assessment been carried out?	<yes/no>	Have Public relations and communication issues been considered?	<yes/no>
	Have Community Safety issues and/or Crime and Disorder (Section 17) been taken into account?	<yes/no>	Has a Sustainable Development Impact Assessment been done?	<yes/no>
1.11	What Corporate Priorities will this project address?	Quality homes local people can afford	<yes/no>	
		A greener cleaner Babergh	<yes/no>	
		A safer and healthier Babergh	<yes/no>	
		A strong and sustainable Babergh economy	<yes/no>	
		Vibrant places and strong communities	<yes/no>	

2. STRATEGY / APPROACH			
2.1	Specifically who are the team members involved in the project.	<Name all the outside agencies that will be involved>	
2.2	Which service areas will be involved?	<Name internal service areas that will be involved and who the project team are.>	
2.3	Will any outside agencies or authorities will be Involved and, if so, how?	<What other organisations or outside agencies are involved. Could be funding bodies, partner authorities, commercial organisations, etc.>	
2.4	Specify any outside consultants required and define their terms of reference.	<What consultants or advisors are required? What are they to do provide and how significant is there role? How are they to be appointed.>	
2.5	Define the proposed key milestones of the project.	<What are the bite size stages of the project? Could be a planning stage followed by procurement and then implementation. What defines success at the end of each stage? When are they likely to occur?>	
2.6	Which Member committee should be involved?	<State Member Committee to be involved>	
2.7	Project Stakeholders – Who else needs to be involved at both Officer and Member Level?	<Who else needs to be involved at both officer and Member level>	
2.8	What is the Project reporting structure?	<How will this project report? Through normal line management, the Programme Board, a Committee structure or a combination of these?>	
2.9	Will any policies and strategies affected?	<State which policies and strategies this project will effect as well as what policies and strategies it supports>	
2.10	Environmental or social impacts to the project.	<What environmental and social implications need to be considered?>	
2.11	Procurement strategy to be used.	<How are any outside purchases for goods, services or works to be made? Quote? Tender? OJEU? Local framework? (seek guidance from the Council's Procurement Officers if required)>	
2.12	List any other related projects.	<Does this project link with any other projects? Is it part of something bigger?>	

3. RESOURCES (BUDGET / FUNDING STREAM / INVESTMENT APPRAISAL / WHOLE LIFE COST MODEL / RESOURCE PLAN)

3.1	Rough estimate of how much officer time will be required	<Who will be involved (your project team named in 2.2), on average how many hours per week multiplied by the project duration.>	
3.2	External people costs (if required)?	<Define any external resources other than consultants or temporary staff that will be required and estimate the cost.>	
3.3	Consultants or temporary staff costs (if required)?	<Define any consultants or temporary staff that will be required and estimate the cost>	
3.4	Are necessary outside purchases defined and budgeted for?	<What other packages of goods, services or works need to be purchased? What are the separate budgets for these packages?>	
3.5	What skills are required and do we have them in the project team? If not, define and cost the acquisition.	<Have all the external skill requirements been considered? Where might there be a risk to the project? How might this be mitigated through training, secondment or hiring-in?>	
3.6	Is the source of funding for the project identified?	<If capital state the budget cost centre and account code>	
3.7	Are contingencies specified?	<The use of realistic contingencies is good practice to protect budget and programme. What contingencies have been allowed (cost and time)?>	
3.8	What is the payback period for this investment?	<At what point will the benefits outweigh the project cost?>	
3.9	What are the whole life costs?	<What are the whole life costs? What has been considered?>	
3.10	Has the impact of the project (during and after) on all service area involved been defined? Are normal workloads sustainable? Are any other activities or projects having to be delayed or cancelled?	<Has resource planning been done thoroughly in terms of; giving staff time to implement the project, maintaining business as usual during implementation and potential duplication of work during integration?>	
3.11	Are training requirements and resources identified?	<What specific training is required for this project to be successful?>	

4. PROJECT RISKS

Identify the major project risks:

ID	Risk	Impact	Probability	Score	Mitigation
1	<Description of risk>	Choose one of: I Catastrophic II Critical III Marginal IV Negligible	Choose one of: A – Very High B – High C – Significant D – Low E – Very Low F – Almost Impossible	i.e. I - A	<What you are doing to reduce the risk>
2					
3					
4					
5					

5. RELATED INFORMATION

Any other information worth noting that is not covered above?

<Any other relevant information>

PROJECT STATUS REPORT (PSR)			
Project: <i>Insert the name of the project here</i>	Date: <i>XX/XX/XX</i> Project Manager: <i>XXXX XXXXX</i>		
SCHEDULE METRICS			
	Original Plan	Current Plan	Status
List Project Milestones Here	<i>XX/XX/XX</i>	<i>XX/XX/XX</i>	<input type="text"/>
	<i>XX/XX/XX</i>	<i>XX/XX/XX</i>	<input type="text"/>
	<i>XX/XX/XX</i>	<i>XX/XX/XX</i>	<input type="text"/>
	<i>XX/XX/XX</i>	<i>XX/XX/XX</i>	<input type="text"/>
	<i>XX/XX/XX</i>	<i>XX/XX/XX</i>	<input type="text"/>
	<i>XX/XX/XX</i>	<i>XX/XX/XX</i>	<input type="text"/>
Red / Yellow / Green status should be shown against each major item to identify concerns			
FINANCIAL METRICS			
£			
Identify funding stream (revenue / capital / grant / etc) Identify original budget			
Monitoring:			
Current expenditure			<input type="text"/>
Estimated out-turn			<input type="text"/>
Variance of out-turn to original budget			<input type="text"/>
Revised budget required?			<input type="text"/>
Red / Yellow / Green status should be shown against each major item to identify concerns			
RISK REGISTER			
Level of risk:			
Impact	Probability		
Catastrophic	Very High		
Critical	High		
Marginal	Significant		
Negligible	Low		
	Very Low		
	Almost Impossible		
Identified risks:	Impact	Probability	<input type="text"/>
			<input type="text"/>
			<input type="text"/>
Red / Yellow / Green status should be shown against each major item to identify concerns			
KEY ACCOMPLISHMENTS			
Identify key accomplishments or milestones			
NOTES			
These notes (as a minimum) should explain RED items in the status column above or any other major issues or roadblocks where you require senior management assistance or input			
ISSUES FOR NEXT PERIOD			
This section should list the major items of activity over the next reporting period (month)			

