
REPORT TO Resources Overview & Scrutiny Commission

DATE: 10th April, 2006

DEPARTMENT: Corporate Policy and Improvement

REPORTING OFFICER:
Executive Director
(Kevin Douglas)

SUBJECT:
PROJECT MANAGEMENT

CODE OF PRACTICE

WARDS AFFECTED: N/A

FORWARD PLAN REF: N/A

1.0 PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek the Commission's views on the attached Code of Practice on Project Management to be used throughout the Council. The Code sets out a framework of standards, protocols and processes for the identification, management and control of projects. The framework is sufficiently flexible to cover projects of differing sizes and value from various professional areas.
- 1.2 The intention is to submit the Code of Practice to Cabinet on 24 May 2006 for approval by Members with any amendments by the Commission.
- 1.3 The ITD Projects Officer, the Head of Property Management and the Audit Manager have been consulted during the preparation of this report.

2.0 RECOMMENDATIONS

- 2.1 That the Resources Overview & Scrutiny Commission comments on the attached Code of Practice on Project Management for general use throughout the Council.
- 2.2 The Code, amended as necessary, is submitted to Cabinet on 24 May 2006 for approval.

3.0 BACKGROUND INFORMATION

- 3.1 Generally, the implementation of proper project management arrangements is essential to help ensure that planned outcomes and outputs are achieved for any particular project, on time and within the resources made available. There can, of course, be no guarantee that project management can eliminate all risk but it does provide the opportunity to identify risks, that they are managed down to an acceptable level and to help prevent disasters occurring.
- 3.2 On 21 September 2005, Cabinet approved a Project Management Code of Practice for Major Construction Schemes. This Code replaced the previous 'Corporate Project Management Guidance Notes' for such schemes produced in 1997 and followed from the review of the HIC Breakout Space Scheme by the Council Resources Overview and Scrutiny Commission.
- 3.3 One of the principles in the Code is that the Gateway process is followed as an overall Project Management tool. It is now proposed that all projects use the Gateway approach to provide a standard framework to manage, control and monitor all Council projects.
- 3.4 The attached all embracing Code of Practice on Project Management is a revised version of the Code for Major Construction Schemes, amended where appropriate so that the principles can be applied corporately across the Authority for projects from various professional areas. In particular, the Code now also covers ITD projects.

4.0 PRINCIPLES FOR DRAFTING THE CODE

- 4.1 As a reminder, it is helpful to include the following information and comments which are taken from the Cabinet report on the construction Code of Practice.
- 4.2 The general guidance has been set out following the overall principles of the 'Gateway' process. This has been adopted and modified from the original Office of Government Commerce (OGC) system to accord with the Council's normal procedures. Using the Gateway process does not require any major change to the way projects are dealt with, but it requires some changes of terminology, and these are included in the Code of Practice.
- 4.3 The Gateway process provides an overall approach to project management. For major construction projects, the principles and processes set out in standard contract documentation support and underpin the Gateway process. For IT&D projects, the Council's adopted methodology is to use Prince 2 principles amended as necessary for each project subject to the scale and risks involved. Using Gateway for IT&D

projects will complement Prince 2 and is not a substitute. The in-house standards using Prince 2 for IT&D which have been developed continue to be used.

- 4.4 There is a need to be clear about the difference between “accountabilities” and “responsibilities”. There is recognition that no single officer can take personal and individual responsibility for a project. However, the Code of Practice defines the Project Owner as being accountable for the project as a whole.
- 4.5 The essence of Project Management revolves around team working and as such each individual member of the team has a role and a list of responsibilities which are all aimed at bringing the project to a successful conclusion if at all possible. The responsibilities lie in ensuring the processes to achieve that successful conclusion are in place, and the Project Owner takes that overview, giving direction and ensuring support is provided where it is needed.
- 4.6 The profession of Project Management is such that the Project Manager is part of the project team, whereas previously the role was seen as the most senior person on the project. The role of the Project Manager is about liaison, forward thinking and ensuring that all the processes are in place and co-ordinated to ensure the smooth running of the project. The Project Board takes the lead for the project, and the person chairing that is the Project Owner. A typical Project Management Structure Chart is incorporated in the Code.
- 4.7 The Code of Practice document attached to the report recognises that not all projects will fit exactly into the format which has been laid down. For instance, the Royal Hall Project required a more extensive and robust Project Management arrangement than the Code of Practice provides. It needed to consider such things as business planning and fund raising by the Restoration Trust which are broader issues than the construction of the project. Therefore as a norm larger projects would have a special document drawn up to set out a robust Project Management arrangement structure.
- 4.8 An example of large projects from an IT perspective would be the Customer Service Unit (CSU) project. The complexity contained in the combined aspects of the project necessitates a more rigorous approach than that required by the ICLipse upgrade for example, the CSU consists of multiple interdependent projects requiring combined resources such as the implementation of a telephony system, a software implementation, and new locations for public facing units. The ICLipse document management system requires the more basic implementation of a single departmental system. In order to assist in identifying the amount of rigor required, the IT project metrics tool is used to assist in calculating the complexity of a project by scoring a number of specific criteria, such as cost, difficulty, Risk, etc. The final score helps guide the project board in reaching a decision over what must be done to ensure control and accountability. Generally a “rule of thumb” would be that large departmental and

corporate change projects, would require the highest degrees of control.

- 4.9 Also attached to the report is a “handy reference guide” to the Council’s approach to project management. This sets out the key steps and questions which should be asked at the various states of a project from inception to post project review. The guide will be placed on the intranet and available as a pocket guide.

5.0 PRIORITISATION AND MONITORING OF PROJECTS

- 5.1 As part of the Corporate Planning process it is important that all projects are approved, prioritised and resourced against the agreed project management process and are then included within the appropriate planning documents. These are:-

Strategic Plan – corporate projects delivering Council’s key priorities or strategic action.

Corporate Improvement Plan – corporate projects delivering organisational improvement.

Department/Service Plans – projects delivering key service priorities.

- 5.2 There is an agreed process to develop – Corporate Resource Strategy which coordinate the priorities of the ITD, Asset Management, HR and Finance Strategy to establish the allocation of resources.
- 5.3 The development of the Project Management Code of Practice supports this approach and allows evaluation and monitoring to be undertaken in the Council’s Performance Management System (COVALENT).
- 5.4 This will be the next step in the process to ensure projects are delivered within agreed resources and timescales.
- 5.5 The current monitoring arrangements will be retained with CMT monitoring Council projects and Directors/Service Heads monitoring service led projects. However, the Council’s monitoring reports will be developed to include Project Progress reporting.

6.0 IMPLEMENTATION

- 6.1 Once approved it is proposed to hold short briefing sessions for Directors, Heads of Service and Senior Managers to disseminate the Project Management Code and provide any support required.
- 6.2 It is likely that these would be held in June and it would be essential that all relevant officers attend.

6.3 The information will then be placed on the intranet and will form part of the induction process at Service level for all new staff involved in developing projects and project management.

6.4 Council training courses on Project Management will be based around this corporate approach and will continue to be run on a regular basis.

6.5 Awareness Training for Members will be undertaken as part of the on-going Member Training and Development Programme.

7.0 CONCLUSIONS

7.1 The Code seeks to improve the Council's approach to Project Management by introducing a common framework applicable to all types of project, using the Gateway approach.

7.2 The Project Management arrangements will be reviewed on a regular basis and as a result of any issues raised by particular projects.

7.3 The work on performance monitoring and prioritisation will be progressed and reported to CMT, Scrutiny and the Executive in due course.

Background Papers:

OFFICER CONTACT: Please contact Martin Helm if you require any further information on the contents of this report. The officer can be contacted at Council Offices, Crescent Gardens, Harrogate HG1 2SG, by telephone on 01423 556114 or by email martin.helm@harrogate.gov.uk

SUSTAINABILITY ASSESSMENT/POLICY CONSIDERATIONS

		Implications are		
		Positive	Neutral	Negative
A	Economy		✓	
B	Environment		✓	
C	Social Equity		✓	
(i)	General		✓	
(ii)	Customer Care/People with Disabilities		✓	
(iii)	Health Implications		✓	
D	Crime and Disorder Implications		✓	

If all comments lie within the shaded areas, the proposal is sustainable.

