

# **Report to Overview and Scrutiny Committee**

**Date of meeting: 31 October 2017**

**Subject: Transformation Programme Task and Finish Review**



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## **Recommendations/Decisions Required:**

- 1. That the Overview and Scrutiny Committee receive the five closure reports of the finished (high risks) projects, to enable them to compare lessons learned across projects (P013, P033, P116, P118, P136).**
- 2. That an updated Transformation Programme Project Dossier should be reviewed at each Overview and Scrutiny Committee meeting.**
- 3. That the Head of Transformation should submit an end of year report to the Overview and Scrutiny Committee, (preferably to their March meeting) summarising the project work during that year and setting out any potential areas for scrutiny for the coming year.**
- 4. That details of new projects should be submitted to the Overview and Scrutiny Committee or if appropriate to the relevant Select Committee, for their information.**
- 5. That project closure and benefits realisation reports should be submitted to the Overview and Scrutiny Committee or if appropriate to the relevant Select Committee for their information.**
- 6. That reporting of projects entering lifecycle stages be included in the Cabinet 'Highlight Report' for information.**
- 7. That arrangements be made for all members of the Select Committees and the Overview and Scrutiny Committee to receive training on transformation and the various elements of the project lifecycle.**
- 8. That members be allowed 'read only' access to the Covalent system for information. The access to be at project level.**
- 9. That the Overview and Scrutiny Committee undertake appropriate scrutiny of projects and initiatives that concern matters within the service responsibility of the Chief Executive.**
- 10. That the Overview and Scrutiny Committee receive an annual update of the Customer Services Programme from the Head of Customer Service.**
- 11. That existing projects be reported to the relevant Select Committee to be reviewed.**

## **Executive Report:**

At the meeting of 28<sup>th</sup> February this Committee was in receipt of a PICK form from Councillor A Patel requesting that the work within Transformation Programme be subject to scrutiny by members. Initially it was proposed that the scrutiny be undertaken by the Resources Select

Committee however a special meeting of that Committee proposed that a Task and Finish Panel be established for this specific task.

At the meeting of 18<sup>th</sup> April this Committee agreed the establishment of such a panel and at the following meeting on 6<sup>th</sup> June set the terms of reference and membership of the panel.

The purpose of the panel was to recommend to this Committee the arrangements for the scrutiny of the transformation programme and those transformation projects that fell within the Office of the Chief Executive. It was noted that the latter was necessary because there are no formal scrutiny arrangements for work falling under the Chief Executive.

In order for the panel to reach an informed conclusion it was important for members to gain an understanding of transformation; what it was, what it was intended to achieve and the management processes that projects within the programme were subject to. A number of detailed reports were provided to the meetings to enable the objectives above to be explored and it was clear from the discussion in the meetings that this had been achieved.

The panel has had three meeting to consider information relating to the programme and this report summarises the work carried out and recommendations made as a result of the meetings.

The members of the Task and Finish Panel were as follows;

**Members:** N Avey, R Baldwin, R Bassett, N Bedford, R Brookes, K Chana, D Dorrell, S Heap, L Hughes, S Kane (Vice-Chairman), A Patel (Chairman), M Sartin, B Surtees and H Whitbread.

Councillor S Kane withdrew from the panel for the final meeting as he was appointed as the Safer, Greener and Transport Portfolioholder following the death of Councillor G Waller.

**Officers:** P Maddock (Assistant Director of Resources), G Chipp (Chief Executive), D Bailey (Head of Transformation), O Shaw (Head of Customer Service), S Hill (Assistant Director of Governance) and A Hendry (Senior Democratic Services Officer)

## **Report**

The first meeting of the panel was held on 29<sup>th</sup> June. A number of questions had been put forward by the chairman to establish what the transformation programme was, its aims and objectives, timescales, costs and processes around agreeing and managing specific projects.

The Head of Transformation produced a detailed report addressing the questions posed and also included a table of the current projects underway and which directorate they fell within. It was noted however that a few of the projects and indeed the more significant and cross cutting projects were being managed by the Office of the Chief Executive for which no scrutiny panel exists.

The Committee discussed the questions in some detail and it was proposed that the next meeting follow one project from Inception to completion and the printer migration project was chosen on the basis that it had recently been completed.

There were also five questions set out on the main agenda to consider:

1. How to best to scrutinise the management of the Transformation Programme;
2. How to best monitor and assess performance of the management of the Transformation Programme;
3. How to identify projects and sub programmes not within the remit of specific Select Committees;
4. How to measure and assess performance of identified projects and sub-programmes not within the remit of specific Select Committees; and

## 5. Suitable forums for future scrutiny of Transformation Programme.

A number of suggestions were put forward to address the first question such as whether a new select Committee for the Office of the Chief Executive be set up or whether Overview and Scrutiny take on this role, should the scrutiny look at particular projects or the programme as a whole, should it look at the processes undertaken to determine whether or not a project is carried out, should it look at the costs of projects. There was also some discussion around the new project management software called Covalent (since rebranded as Pentana Performance) and how this would make the management of the programme much easier.

With regard to the second question again it was considered this should be explored further at the next meeting.

It was felt that questions 3 to 5 had already been answered.

The second meeting took place on 1st August, the first item was to look at the printer migration project in some detail. The panel reviewed the various stages in the life cycle of this project. It was noted that generally projects to be included would be either drawn from the Corporate Plan or the various service plans. It was noted that there was no specific member involvement in project management, however there was no reason why members suggestion for projects could not be included. It was also noted that no priority was given to projects though it was intended that this would happen going forward.

The Head of Transformation then took members through the life cycle of a transformation project in some detail.

The first stage is the charter stage at which point a project was submitted in outline with a business case setting out the expected benefits, the scope, timescales and membership of the project team. A member of the Transformation Project Board (TPB) was also assigned to the project as sponsor.

The next stage is the project initiation at which point it was noted that a Project Initiation document (PID) was produced. This contains a more detailed specification and business case for the project, enabling the TPB to make an informed decision to decide whether or not the project should proceed. The PID is quite a detailed document and looks not only at the project in isolation but considers the resource requirements and whether carrying out the project affects progress on other projects because of the limited resources available. Both the project team and TPB regularly review progress and adjust timescales and available resources as appropriate.

Once the project was completed it entered the closure stage. It was noted that whilst a project might have completed, some support would still be given afterwards particularly as the benefits often do not materialise straight away but rather over a period of time. It is important to review the project and measure the actual benefits against those expected to see whether it had achieved its objectives and whether there were any lessons to be learnt from the project.

The panel considered that going forward select committees could have a role in reviewing closure reports and that select committee members should receive some training on the various elements of the project lifecycle.

The Panel received a report on the risk management strategy as it applied to the Transformation Programme and it was noted that the approach was in line with the Council's existing approach. It was also noted that the TPB considered the risks of each project as part of its role in managing the PID process including risks to other projects in the programme.

The Panel also considered the methodology adopted for the assessment of risk as it applied to the Transformation Programme in general and to the printer migration project specifically.

The Head of Transformation then provided a demonstration of the functionality within the Covalent system. The system was felt to be the most appropriate to support the programme and assist in monitoring targets and objectives. The following benefits were also noted:-

- progress and performance information brought together within a single system;
- easy updating of progress and performance in response to email notification, removing the need for previous time consuming paper-based systems;
- clear identification of slippage against targets and timescales;
- easy report generation, also removing the need for previous time consuming paper based systems;
- opportunities for action to be escalated if information not input within specified timescales; and
- timely and readily accessible information available to managers and officers.

It was noted that the system was a cloud based system though the information contained therein was in Council ownership. It was also noted that other information could be included on the system for example Key Performance Indicator information was to be added and that including the Corporate Plan and Corporate Risk Register was being investigated further.

It was also reported that member access to the system could be arranged and the panel might like to include this in their recommendations to the Overview and Scrutiny Committee.

The Panel also considered the arrangements for scrutiny of those projects falling within the scope of the Office of The Chief Executive and felt it was appropriate that the Overview and Scrutiny Committee could take on this role.

The panel considered a number of items for its next meeting with a view that this would be the final meeting and that recommendations to this Committee would be formulated at that meeting.

The final meeting was held on 11<sup>th</sup> September, the first item was to look at the schedule of project progress by select committee. It highlighted the following:

- a. Workstream;
- b. Project reference number and title;
- c. Current project lifecycle stage;
- d. Risk Potential Assessment – High / Medium;
- e. Start and due dates;
- f. Select Committee for scrutiny;
- g. Level of completion (as percentage); and
- h. Project Sponsor and Project Manager.

It was noted that the Cabinet received regular updates on an exception basis. The report gave the following information:

- a) The number of high and medium complexity projects, alongside a summary of how such projects are managed;
- b) Overall progress indicators for 'time', 'cost', 'delivery / outcomes / outputs' and 'benefits' for the period, given as a Red / Amber / Green alongside actual numbers;
- c) Actions – the number of actions in progress during the period;
- d) Project closures – the projects closed during the period; and any
- e) Overdue actions for the period and remedial actions for the next period.

Information for future highlight reports was given and an example of such a report was tabled for information.

The panel gave this information some consideration. The question of project prioritisation

was again raised and also providing an indication of return on investment. It was pointed out that where there was a significant financial benefit to be gained from carrying out a particular project it might be that this should be prioritised ahead of other projects, though the Council had objectives that were of a non-financial nature and financial return alone could not be the sole driver for prioritising projects.

The Head of Transformation took members through the Transformation Programme Project Dossier. It was noted that the information provided was only a week old which was well received as members find it frustrating that information received can sometimes be several months old. It was further noted that with access to Covalent the latest information could be available on an ongoing basis.

Scrutiny of projects was further discussed and it was noted that scrutiny should look at whether the right processes were in place to rectify any problems. Also how was the interaction between projects managed. It was pointed out that this was exactly the sort of problem Covalent had been brought in to assist with managing as it was not easy otherwise.

It was also proposed that this Committee look at projects on their completion though perhaps the relevant select committee should receive the closure reports as a matter of course and should look back from a distance and ask questions and note what was learned.

The next item was related to the recovery and risk around the Covalent system. As previously noted the system is a cloud based system and difficulties affecting the Council's continued use were assessed as low with a medium impact and as such this risk was being monitored. Questions around the continuity were raised however this would be addressed as part of the ICT strategy which was due to be considered initially by the Resources Select Committee at its meeting on 17<sup>th</sup> October.

The next item considered the costs and benefits of the Transformation Programme. It was broken down into four areas:

1. Transformation Team Structure and Cost Estimate - There are four established posts in the Programme Management team of which about 2.5 FTE's were directly involved in transformation activities. There is also support provided in the form of apprentices/interns funded from a different budget. It was noted that the cost was £206,500 but this specifically excluded the Head of Customer Services on the basis that she was specifically leading on the customer services project. In effect around £130,000 was attributable to transformation activities.

It was also noted that a sum of £100,000 had been set aside from the District Development Fund (DDF) to fund activities in support of the programme of which £30,000 had so far been spent. Overall the team are supporting 55 projects of varying degrees of complexity.

It was noted that the team was quite small given the number of projects being pursued and managing absences could be quite difficult, however so far the issue had not arisen and rebalancing the workload might be necessary if such an issue occurred.

The question of transferring transformation officer skills into the business as usual side of the council was posed. It was pointed out that a significant number of managers had undergone transformation training. It was also suggested such training could be made available to members.

2. Benefits from Management of the Transformation Programme – An assessment of the Council's capability in project, programme and portfolio management had been undertaken, using the Portfolio, Programme and Project Management Maturity Model (P3M3). Seven process perspectives are identified which are:-

- Management control;
- Benefits management;

- Financial management;
- Stakeholder management;
- Risk management;
- Organisational governance; and
- Resource management.

It was noted that the Council had increased its capacity to successfully manage projects and plans were now in place to reach the target performance levels in time for the next Corporate Plan.

3. Individual Project Costs – Work is ongoing to identify costs and benefits both financial and non-financial. The direct costs of projects are tracked however it was difficult to track officer time on project management particularly when the resources were already existing and it is reasonable to ask the question of what value there is in measuring this anyway.

The question of the use of external resources was raised and it was noted that if additional resources were required and the expertise did not exist in house then external support would be considered.

4. Individual Project Benefits: Financial and Non-Financial – Any benefits from the Transformation projects are expected to contribute to the four key benefits previously agreed by cabinet:-

- Improved customer value – recognising what customers' value about our services and placing them at the heart of everything we do;
- Reduced waste – Focussing on getting things right first time through joined up services;
- Increasing agility – Reducing red tape to simplify how we work; and
- Increased savings and income – Delivery of resource savings and income generation, to keep Council Tax low.

It was noted from research that around 12-18% of project cost was related to management. From two projects analysed recently only around 6% was for project management. This could be good value for money or an indication that not enough resources had been committed to this work and further research would be required to establish which of these was true.

The question of measuring financial and non-financial benefits was discussed and in particular measuring the two against each other. It was noted that a 'notional' monetary value could be assigned to a non-financial benefit but this would be somewhat subjective and easily open to challenge.

It was noted that the reports submitted had enabled members to gain a clear understanding of what transformation was all about, the role of the Transformation Team, the lifecycle of a project and the management processes around the various projects within the programme.

The chairman thanked officers for their support and the meeting concluded by formulating the recommendations to this committee shown above.

#### **Reason for decision:**

#### **Options considered and rejected:**

The panel could have concluded that it was unnecessary to scrutinise the Transformation programme at all, recommend the setting up of a further select committee for the Office of the Chief Executive or assigned the work to one of the existing select committees.

Given the importance, high profile and cross cutting nature of the work undertaken by the Transformation Team it was concluded that scrutiny of the programme was essential and

asking the Overview and Scrutiny Committee to undertake the scrutiny of those projects assigned to the Office of the Chief Executive was the best course of action. Also the relevant select committees should consider the projects within their remit and add them to their work programme.

**Resource implications:**

There are no additional resource requirements identified. Any member training may come at a small cost which can be managed within existing budgets.

**Legal and Governance Implications:**

No implications identified. Like all other Council areas the transformation programme is subject to Council governance arrangements.

**Safer, Cleaner Greener Implications:**

No implications identified.

**Consultation Undertaken:**

The report is a summary of three Transformation Task and Finish Panel meetings and apart from consultation with the Chairman and other officers in the panel further consultation is felt unnecessary.

**Background Papers:**

None.

**Impact Assessments:**

Risk Management:

All projects within the transformation programme and indeed the programme itself is subject to the Councils risk management procedures. The risks associated with each project are assessed as part of the PID process and managed as the projects progresses.

Equality:

There are no equality impacts arising as a result of this report.