

# Project Management Review

## Audit & Scrutiny Committee Thursday, 27 January 2022

Report of: Executive Head of Communities

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Purpose: For decision

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Publication status: Open

Wards affected: All wards

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### Executive summary:

At the meeting of the Audit & Scrutiny Committee on 2 November 2021, the Committee requested that a report be brought to the meeting of the Committee on 27 January 2022 regarding the weaknesses of project management within the Council.

Concerns had been raised by Committee Members as to whether the current project management processes are fit for purpose or being followed.

The purpose of this report is to provide an overview of project management and the steps that are being taken to improve such processes in the future.

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**This report supports the Council's priority of:** Building a better Council

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### Recommendation to Committee:

That Committee notes and agrees the report and that updates be brought to all future meetings of Audit & Scrutiny, either written or verbal, until such time that the Committee is satisfied that project management has improved at the Council.

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## **Reason for recommendation:**

This recommendation will ensure that improvements to project management within the Council receives sufficient Committee oversight which should, in turn, lead to the improvement of running of projects which lead to a reduction in project cost and risks.

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### Background

1. From 2016 to 2019 the Council undertook a programme to transform its services, "Customer First".
2. An audit of Customer First began in Nov 2019. The final report was issued in February 2021. The report highlighted weaknesses in the project management of Customer First. The management actions related to governance, documentation and training.
3. The report cited an earlier project management audit in 2017 – 2018 and stated that no evidence was provided that demonstrated the agreed actions had been implemented.
4. However, in 2019 a governance structure for the Council was produced. This assigned responsibility for project management to the Policy, Projects & Performance team, which had dedicated project management Officers. It also made provision for four (policy) committee project boards.
5. The purposes of the project boards, as documented in their terms of reference, were to:
  - a. Review projects and progress against objectives
  - b. Ensure projects are kept on track and on budget
  - c. Agree any changes to project scope
  - d. Make additional resources available, where appropriate
  - e. Review risks on a regular basis, both project and committee risks
  - f. Raise other committee-related issues which need addressing and undertaking.
6. Project management document templates and a project management handbook were created throughout 2018.
7. Around 2020 to 2021 the Council's senior management underwent significant changes including two interim chief executives. The Council also commissioned reviews of its governance and consultants to assist with progressing resultant corporate improvements.
8. Following an external review of the Council's governance, LGA consultants in 2020 – 2021 proposed and put in place new governance arrangements. These saw the replacement of the existing project boards with departmental leadership team meetings and the notion that projects would have their own

standalone boards. The Policy, Projects & Performance team was also disbanded with the Officers distributed to the Resources and Communities Directorates, sitting under the executive leads for those departments.

9. Given the timings between the implementation of Customer First to the management changes, the project management initiatives undertaken during this time did not become fully embedded due to the organisational instability.
10. The end of the last consultant's term was March 2021. Since then corporate project management has been assigned to the Programme Management Officer (PMO) alongside other duties. This position is now vacant, and a decision is yet to be made regarding recruitment. In the meantime, the work of the PMO is being shared amongst several colleagues along with their other day-to-day duties.

#### Key findings

11. Again, the recent governance changes in this area have not become fully embedded to date. Thus, consistent project management practices and corporate monitoring still require further development. It is for this reason that some of the Customer First audit actions remain outstanding.
12. However, that is not to say that there are no project management practices in place at present, and several officers do have relevant experience and qualifications.
13. Members will see from Appendix A excerpts from the two corporate actions trackers, which contain project management improvement actions.

#### What we are doing to improve

14. In brief, project management as a whole, is being reviewed at present. The central aim is to define what is best practice for the Council, being a relatively small authority with limited budget, resources and capacity. Following this, priorities will be ensuring that all relevant Officers are sufficiently trained in this approach, and, confirming that robust governance in place to support it.
15. Four out of the seven Customer First audit actions related to project management have been completed. These relate to agreeing a set of standard documentation for all projects and ensuring all key documents are stored in easily accessible central repositories.
16. The three ongoing actions relate to a review of all major projects and programmes to ensure appropriate documentation is in place, and review of project management skills and training.
17. The master list of corporate projects has been a key focus for the PMO. It is now near completion. Legacy projects are being formally closed and each active project is being checked to ensure key documentation is in place. From

the end of October 2021, any projects that have not completed requisite documentation will be reported to the Executive Leadership Team alongside corporate performance reporting.

18. To address the skills / training actions a project management community of practice has been established. The group's objectives, as set out in the terms of reference, are to:
  - a. Ensure a consistent approach to project / programme management is practiced across the Council (including progress reporting and risk management);
  - b. Periodically review project management document templates;
  - c. Periodically review project management processes (e.g. corporate approach to PM methodology, project reporting mechanism);
  - d. Identify PM training needs in the Council;
  - e. Submit recommendations to the Corporate Improvement Board as necessary.
  - f. The set agenda also includes an item on lessons learned from recently closed projects.
19. By delivering these objectives the group will be able to define best practice for the Council and then highlight where any further training is required.
20. Furthermore, the Project Management Handbook is being updated to account for: current governance structures, the developing view of best practice, the process for commissioning projects, and what key documentation should be completed through the project lifecycle. Initial updates have been made, it will soon be sent to the project management group and executive team to review.
21. To add additional project oversight, the latest governance changes have been adapted whereby the Council is trialling:
  - a. Standalone project boards for the Communities and Planning departments.
  - b. Project reporting to the Resources departmental leadership team meeting.
22. The comparison between both approaches will enable the Council to ascertain the most effective way for each department to maintain oversight of its projects.
23. Projects are also expected to comply with the new corporate risk management strategy.
24. Further actions the Council is considering / progressing as part of the project management review are:
  - a. Scoping a corporate project board, which would sit above the departmental project boards. This arrangement would enable departments and the management team to cross-check and scrutinise the work of the departmental project boards.

- b. Detailed review of the scheme of delegation to formally establish project approval criteria.
- c. Further development of the business case section of the Project Initiation Document (PID). Various examples are currently being reviewed.
- d. Put in place project management champions. Proposed that this could be achieved via formally recording specific officers with project management expertise in each department (Communities, Planning and Resources). These champions would also be members of the project management group.
- e. Refinements to capacity and resource planning. Once complete, the corporate programme plan will be an effective tool for departments to assess their capability to deliver new projects. Projects in the plan are to be prioritised according to size, complexity, risk, resource and governance requirements. New service plans for each department and team will also be produced to assist with this. The PID template provides provision for resourcing requirements to be stipulated and a resourcing statement of assurance for the PID author to sign. The PID also includes a section on project funding. Direct £ values are relatively straightforward to provide in this section, hence what we are assessing at present is how best to account for the opportunity cost of officer time spent on projects, given the policy and projects team has now been disbanded.
- f. Assess training needs for project sponsors.

## **Key implications**

### **Comments of the Chief Finance Officer**

The report follows on from previous structures and feedbacks on prior projects outcomes and learning points. These projects were service centric and would have indirectly support any prior savings plans. If there are any financial implications, they would either be reported within the revenue positions or part of any capital related project.

### **Comments of the Head of Legal Services**

The Council undertakes a large amount of project management and there is a necessity to ensure that there is an ongoing drive to improve standards and to strengthen areas where required. In the context of having reduced Officer resources there is a challenge to ensure that the management of projects is as efficient as possible. This includes the project management as well as the governance, decision making and assurance. To avoid the Council from falling behind on any outstanding actions, the Council does need to move forward with its decision regarding resourcing the PMO function.

### **Climate change**

All proposals that would impact on the Council's commitment to climate change which will be reported in individual future project reports to committees.

**Appendices**

Appendix A – Corporate Tracker Excerpts

**Background papers**

None

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