PRINCIPAL SCRUTINY COMMITTEE

30 June 2003

CONCLUSIONS OF THE CAPITAL PROJECTS (SCRUTINY) INFORMAL GROUP

REPORT OF COUNCILLOR COLLIN ON BEHALF OF THE CAPITAL PROJECTS INFORMAL GROUP

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RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

The membership of the Capital Projects Informal Group for 2002/03 was four members: Councillors Collin, Cook, Davies and Mitchell.

The Group's terms of reference as agreed by the Committee were:

To review:

- *Project management and progress of work on the Sussex Street Hostel*
- *current methods and use of project management*
- *involvement of Members in the approval and subsequent monitoring of major projects*

The Group has had three meetings during 2002/03 and its findings and recommendations are set out within this report.

The Committee is requested to agree a course of action in response to these.

RECOMMENDATIONS:

That the Committee note the findings and recommendations of the Capital Projects Group and agrees a course of further action as appropriate.

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DETAIL:

1   Introduction

1.1   The Capital Projects Informal Group was established in 2002 to review Project management and progress of work on the Sussex Street Hostel; current methods and use of project management and involvement of Members in the approval and subsequent monitoring of major projects.

2.   Conclusions of the Capital Projects Management Informal Group

       Following examination of selected capital projects, a number of conclusions were made by the Informal Group.

2.1   The Group examined the following and invited relevant officers to assist with discussion:

       • The Capital Programme

       • Sussex Street Homelessness Hostel

       • Corporate Document Management System

2.2   In summary, and having regard to the terms of reference as agreed by Principal Scrutiny Committee, the Informal Group agreed upon the following line of enquiries to find out whether the Council's capital projects:

       • adhered to a specific set of project management principles and guidelines

       • had a definite start and a set of defined objectives

       • had someone who knew they were in charge and accountable for the objectives and who knew what they could or could not do in respect of the project

       • had someone or a set of people who believed they were accountable for the business' interest in the project – the project owners.

2.3   It was suggested that a finalising report be drawn up utilising the minutes of the meetings to date and the conclusions and recommendations as set out, for consideration by Principal Scrutiny Committee.

3.   Specific Projects Researched and the Group's Conclusions

3.1   Capital Programme

The Group agreed that the Capital Programme was appropriately documented and had no particular criticisms of that part of the project management continuum.

3.2   Corporate Document Management System

- The Group noted that they were unclear of the roles on the project board or equivalent and that there wasn't a project assurance team.

- As the project was a corporate project, the Group agreed that there should be a corporate leader/body in charge of the implementation. After the Group had met I was advised that the lead officer is the Director of Finance who has overall responsibility for ICT and who is the Chair of the Corporate Project Board. It is recognised that this body needs to meet more regularly now that a supplier has been selected, so that a detailed plan for corporate implementation can be prepared and monitored.

- It was unclear whether the pilot for the Development Services Department, which had a specific immediate business need, was within a framework corporate contract. The Group assumed that this was the first part of the corporate system's implementation although it was unclear whether this was the trial for the whole corporate roll out. The Group was unclear on what would happen if it was decided that the system functioned unsatisfactorily after the initial six month trial period in Development Services. Since the Group met I understand that the pilot will be part of a framework contract, and there will be no obligation on the Council to proceed with other elements if the Council does not wish to. If there is a fundamental problem with the initial phase an assessment would have to be made as to whether the Council had a contract claim – or had not properly evaluated the original proposal. However, the concern of the Group was that there should be an ongoing corporate approach to the business management of the implementation of the project across the Council. It should be seen as a corporate project with Planning as an initial pilot – and not as a Planning project which had later possible roll outs to other departments. The Group wanted to ensure that there was a corporate rather than a departmental emphasis.

- Although noting the roles of the Project Team and Project Board, the Group was unconvinced that overall programme management had been addressed. For example, the Group was unclear as to who was to be responsible overall in the next stages of the roll out commencing in Committee Services The CSS Business Plan approved on 19 March 2003 has the City Secretary and Solicitor taking project ownership for this aspect of the project with the Assistant City Secretary (Administration) leading on implementation. There is not a detailed project plan for the subsequent stages as yet. It was noted that the current project manager for Development Services implementation was not expecting to have a role in further implementations, although this seemed like a valuable resource that could be of benefit to further departments. The Group considered that it was necessary for the success of the corporate project as a whole that Corporate Management Team made arrangements so that full use was made of expertise gained in the pilot as subsequent phases were rolled out across the Council.

- Success criteria did not seem to be in place at the start and, when challenged, was said to be part of the post implementation review of the pilot.

- The Group had some concerns that this substantial project was outside of the capital programme because it was revenue only. The Group considered that all the principles of a substantial project should still be in place. Substantial one-off funding seemed to be required, yet, because this was technically revenue, the safeguards of capital programme projects were not available to it. Key stages were reported through the ICT Informal Member/Officer Group, and to Cabinet. However, the Group ask that consideration be given as to whether a formal procedure of controls, similar to that for capital projects, is adequately defined and in use for ICT projects. The Group also asked that consideration be given to whether there is any other significant area of major revenue expenditure where such a system would be of benefit.

3.3   Sussex Street Homelessness Hostel

- The Group noted that that there was a whole body of estimating techniques and project relationship conventions for the building trades. However it was apparent that these were not appropriate to the circumstances of this project and that a hybrid had been adopted. This was clearly a significant risk, and these risks were seemingly not discussed and analysed. The original Cabinet report (CAB464 refers) did identify the unusual approach but did not explicitly identify the project management risks.

- The Group noted that the project was not representative of a 'normal' building procurement or contract and that site difficulties with occupied rooms were clearly an issue. The actual project was under management of a building surveyor within the property services division. There was no specific clerk of works although this absence was partially assisted by the on site warden. Each of the areas of work was subject to an "offer and acceptance quotation" process from a range of contractors and was under direct Winchester City Council supervision. Quality assurance of the fairly separate pieces of work was therefore covered within each quotation.

- The Group was concerned that the original member/officer working group did not seem to have carried on its role as 'sponsor', having changed its remit to wider homelessness policy issues. The original Working Group was established to carryout a pragmatic assessment of what was required in all of the Council's homelessness hostels. A finalising report informed the brief for the improvements at Sussex Street, Lenthill Court and Brittany House.

- The Group noted that they had yet to study the original project appraisal, as originally suggested by the Director of Health and Housing.

- The Group requested that they be kept up to date with the progress of the project due to be complete by early summer 2003.

4   Recommendations and points of discussion for Principal Scrutiny Committee

As well as noting the conclusions reached by the Informal Group, the following general recommendations were made. As a result of earlier comments made by Principal Scrutiny Committee, Corporate Management Team has also considered

whether general training in project management techniques would be beneficial for appropriate posts across the organisation. The options are currently being investigated with implementation commencing later this year. The Informal Group's recommendations are:

4.1   Projects need clear initial objectives (sometimes referred to as deliverables) rather than post implementation review.

4.2   There should be a clearly defined single person (or group) accountable for the overall business interest in a capital or other large scale project which regularly reviews and monitors the implementation plan.

4.3   The Portfolio Holder's role in capital projects needed to be defined. For example, should they have knowledge of, and responsibility for the project? Does Cabinet have collective responsibility?

4.3   There should ideally be more use of officer expertise by 'reaching through' the organisation to lead specific projects and/or cross department working. This would require some removal of the Council's current 'departmentalism'.

4.4   Consideration should be given as to whether a formal procedure of controls, similar to that for capital projects, is adequately defined and in use for ICT projects. The Group also asked that consideration be given to whether there is any other significant area of major revenue expenditure where such a system would be of benefit.

4.5   The Group suggested that Members be better informed of the functioning of the corporate officer Capital Assets Group. Publication of various documents related to this Group may assist Members regarding this.

OTHER CONSIDERATIONS:

5.   CORPORATE STRATEGY (RELEVANCE TO):

5.1   Relevant to the aim of being more open and democratic in the way the Council works.

5.2   RESOURCE IMPLICATIONS:

5.3   Scrutiny is currently undertaken within the existing staffing resources of the Council.

BACKGROUND DOCUMENTS:

Files held in the City Secretary & Solicitor's Department.

APPENDICES:

None