



AUDIT AND GOVERNANCE COMMITTEE 25 January 2023

ITEM 09

Report sponsor: Director Policy Insight and Communications
Report author: Head of Strategy and Performance

Programme Management Office (PMO) Update

Purpose

- 1.1 There are many factors that contribute to the successful delivery of programmes and projects.
- 1.2 In September 2018, Derby City Council's Programme Management Office (PMO) was set up to *"help to enable effective project management delivery and to provide an overview of programme activity and outcomes"*.
- 1.3 The purpose of this report is to provide the Audit and Governance Committee with an update on developments with the PMO, since the report considered by the Committee in September 2021.

Recommendations

- 2.1 To note the significant developments that have been made in the PMO function over the last 12 months; as set out in paragraphs 4.4 to 4.11.
- 2.2 To note the future priorities for improvement, set out in paragraph 4.12.

Reasons

- 3.1 The purpose of the Audit and Governance Committee is to provide independent assurance to the council on the adequacy of the risk management framework and the internal control environment, and as part of this the committee reviews *"the council's arrangements for corporate governance against the good governance framework"*.
- 3.2 A critical 'ingredient' of 'good governance' is effective programme and project management, which supports in the achievement of positive outcomes for the city.

Supporting information

Background

- 4.1 A good programme management office (PMO) ensures that projects in a multi-project environment run as smoothly as possible, in line with agreed standards, to achieve better outcomes for the city (*Project Management Office (PMO): Definition, Advantages & When Is It Good? (theprojectgroup.com)*).

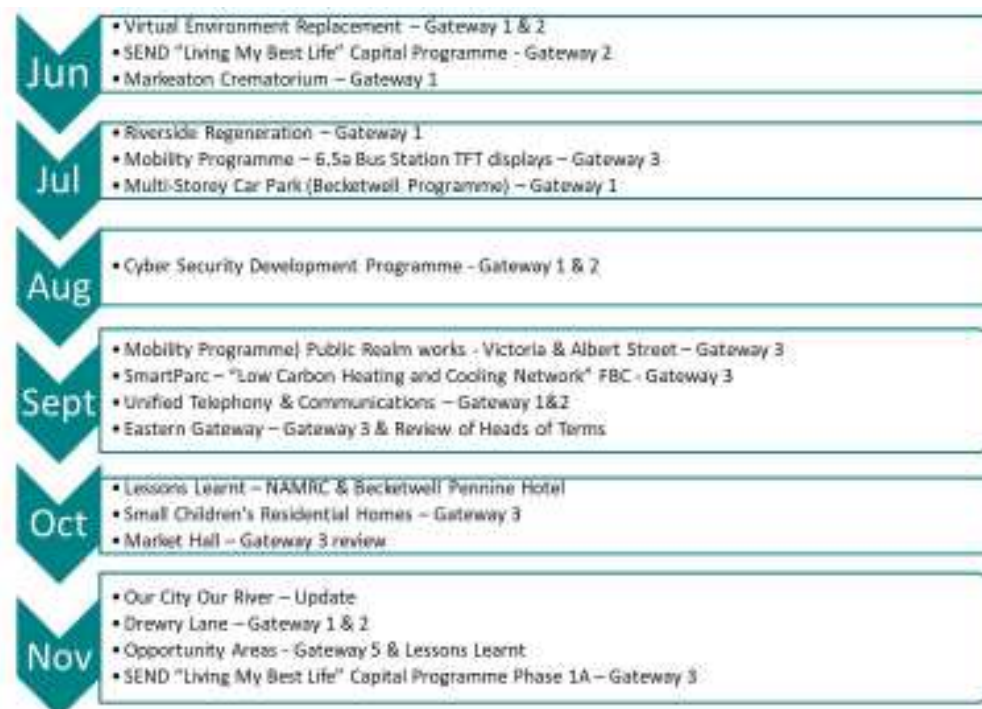
- 4.2 Derby's PMO was established in September 2018, to develop a more consistent and robust corporate approach to managing projects.
- 4.3 In September 2021, a report was considered by the Committee, which set out all the developments that had been made since the function transitioned to Strategy and Performance in December 2020, alongside setting out priorities for improvement during 2022/23.

Key developments over the last year

- 4.4 Presented below is a summary of the areas identified for further action, in the last report considered by the Committee, alongside a summary of progress that has been made during 2022/23, to date.

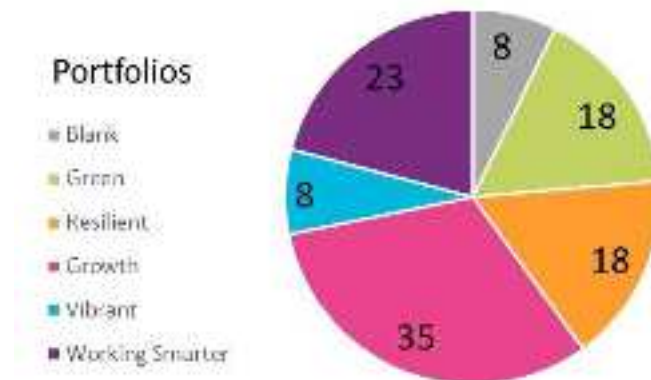
Action / priority	Status	Supporting information
Implementation of the Project Management Platform (PMP)	Completed	<p>The project management platform has been implemented and is being used for a number of programmes and projects, with further details set out within paragraph 4.9.</p> <p>It should however be noted that the implementation of the dashboards has been delayed and we are awaiting IT colleagues to progress this.</p>
Coordination of the Project Manager Network	Completed	<p>The project manager network is in place and meeting regularly, items considered over the last year have included:</p> <ul style="list-style-type: none"> • Baseline documents and change control processes • A52 lessons learnt • Programme and project roles and responsibilities • Configuration management • NAMRC and Pennine Hotel lessons learnt • Project Management Platform review and learning
Development of a project management training schedule	In progress	Praxis programme and project management training has been completed by a number of project personnel and a training plan is being developed for wider stakeholders for 2023, in the interim the Project Manager Network has been used to focus on key topics to aid knowledge sharing and development.
Establish a Project Management Hub	In progress	Work is in progress to establish the hub, which is scheduled for completion in line with the 2023 – 2026 MTFP proposals.
Implementation of a portfolio and programme management approach, that aligns city and council activities	On hold	<p>Activities have focused on the development of the Partnership Board and city plan, with the partnership governance remaining as it is. Where there were gaps in delivery groups (i.e. City Centre), these have been established by Lead Officers.</p> <p>A Transformation Board will be set up in early 2023 to oversee all Derby City Council activities going forward, with partnership developments progressed as required. This will be supported by an integrated Change and Projects team.</p>

- 4.5 Key to strengthening our oversight on programmes and projects has been the PMO Board, who have considered a variety of activities during the last 6-months as shown below:



- 4.6 To further develop our assurance oversight, we have also introduced an Assurance and Development (A&D) Group in the last 6-months, which underpins the PMO Board and has representatives from key functions (including Internal Audit) with representation from all directorates and aims to:
- support the maintenance of an effective programme and project pipeline, ensuring that gateway decisions are presented to the PMO Board at the most suitable time in the programme / project timeline
 - strengthen and improve the PMO assurance activities including reviews of gateway submissions prior to attendance at the PMO Board
 - own and shape the PMO roadmap including recommendations for what services and support the PMO should offer, how it should interact with projects, programmes and service areas across the council, and general service improvement
 - horizon scan project activity across the council and the city, ensuring projects meet Council objectives
 - provide technical expertise and assurance in relation to programme and project related activity
 - review end of project reports ensuring that lessons learnt are shared with the rest of the Council, shaping recommendations to leaders, as appropriate.
- 4.7 Alongside the work of the Assurance Team, the strengthened oversight is increasing the likelihood of successful programme and project delivery through appropriate support and challenge.

- 4.8 It should also be noted that all gateway discussions through both the A&D Group and the PMO Board are appropriately recorded on a decisions log, documenting the areas identified for further consideration alongside the outcome of these. This makes sure that we close the loop on assurance based recommendations, and capture learning for future programme and project activities.
- 4.9 Governance developments over the last year have been aided by the implementation of our Project Management Platform (PMP). The platform was launched in September 2021, and at the end of November 2022 there were 216 members of the platform, with 110 programme and project sites, which represented all aspects of our Council Plan 2022 – 2025 priority themes...



NB – those without an identified portfolio are being reviewed by the Assurance Team.

- 4.10 Additional areas that have been enhanced over the last year have included:
- the programme and project pipeline is more robust, and we are, where possible, working to ensure that gateway discussions are appropriately timed to add the most value through high challenge, high support
 - there have been a number of risk-based reviews of complex or high risk programmes or projects (i.e., mobility programme)
 - guidance has been developed on risk escalation and de-escalation, to increase consistency and improve alignment with our risk management framework.
- 4.11 The developments that have been made over the last 12-months has enabled us to reduce the strategic risk rating for “*Ineffective project management governance*”, where the risk score has decreased from 12 (high risk) to 9 (medium risk).

2023 developments

- 4.12 Looking ahead to 2023, there are a number of areas that have been identified for further development...
- Routine review of guidance and templates, including links with decision making.
 - Annual review of programme and project activities for 2022/23, with an evaluation of impact.
 - Central sources of project management and support to be put in place.
 - More risk-based reviews of programmes and projects between gateways.
 - Project training plan to be agreed.

- Development of a wider assurance framework.

4.13 An update report will be presented to Audit and Governance Committee in January 2024, with any new or emerging risks reflected within the six-monthly risk assurance report.

Public/stakeholder engagement

5.1 Developments in PMO process are informed by feedback from project personnel and senior leaders.

Other options

6.1 None.

Financial and value for money issues

7.1 The PMO functions support the Council to ensure there is appropriate challenge of business cases and project activity through a Gateway process, with robust monitoring of spend and deliverables, overseen by the PMO Board.

Legal implications

8.1 None arising from this report.

Climate implications

9.1 The work of the Assurance Team is to raise awareness and ensure effective challenge on project development and delivery, which includes influence on climate matters within targeted programmes and projects. The specific benefits of these will be contained within project documentation and associated reports.



Socio-Economic implications

10.1 None arising from this report.

Other significant implications

11.1 None arising from this report.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Emily Feenan - Director of Legal, Procurement and Democratic Services and Monitoring Officer	15/12/2022
Finance	Simon Riley – Strategic Director Corporate Resources	05/01/2023
Service Director(s) Report sponsor	Heather Greenan – Director of Policy, Insight and Communications	04/01/2023
Other(s)	Richard Boneham – Head of Internal Audit	05/01/2023

Background papers:	Audit and Governance Committee – September 2021 Report - Standard report template Derby City Council
List of appendices:	None.