

BROMSGROVE DISTRICT COUNCIL

PERFORMANCE MANAGEMENT BOARD

28 SEPTEMBER 2009

PROJECT MANAGEMENT EXTERNAL AUDIT

Responsible Member	Roger Hollingworth - Leader of the Council
Responsible Head of Service	Hugh Bennett - Assistant Chief Executive

1. SUMMARY

- 1.1 This report sets out the external audit report on the Council's project management arrangements completed by the Audit Commission.

2. RECOMMENDATIONS

- 2.1 It is recommended that:

- i. The Board considers the report.
- ii. Notes the positive report and progress made.
- iii. Considers the Council's response to the recommendations made by the Audit Commission.

3. BACKGROUND

- 3.1 The Council has been operating a project management methodology for approximately three years. The methodology was considered by the Performance Management Board and by the Improvement and Development Agency (I&DeA) and considered sound. A number of improvements were made to the methodology as a result of an internal audit, requested by the Assistant Chief Executive. The methodology consists of a suite of templates to be used by a project manager e.g. project brief, business case, project plan, risk register, issues log, highlight report, lessons learnt and close and evaluation report.
- 3.2 The main problem the Council faced was not the appropriateness of the methodology, but its application. The use of the methodology was not "policed", so some managers were using it and some were not. Good project management is considered critical to the delivery of projects i.e. they are delivered on time, to budget and to the specified level of quality.
- 3.3 As a result of the Council's then "Poor" rating, we won grant funding to employ a highly experienced ex-private sector project manager to work with the Council for 18 months on improving our approach to project management. Key areas of improvement have included; training for 40 managers, which demonstrated that the knowledge base on project management was low; and the establishment of programme board,

chaired by the Joint Chief Executive, to oversee a portfolio of projects considered critical to the Council's improvement.

- 3.4 The programme board was only established in July 2008, so it is particularly pleasing that the Audit Commission report considers the Council's arrangements "sound" and "becoming increasingly embedded".
- 3.5 The Audit Commission's report is attached at Appendix 1 and the recommendations detailed below and the Council's response:-

R1	Ensure project management training for staff.	40 managers now trained.
R2	Ensure thorough option appraisals.	Each budget bid requires an initial outline bid and the S151 officer can then request a full business case for those projects where this is considered material.
R3	Carry out more analysis of risks and use of issue logs.	The programme board requests project documentation to be updated monthly and if concerned about a project will specifically request this information is tabled at the Board.
R4	Ensure adequate resources are available for projects and links to corporate priorities.	Resourcing remains an issue given the scale of the Council's change programme. The proposed transformation team for shared services should help.
R5	Compile a lessons learnt log.	Every project is required to produce a lessons learnt report at the end of the project. These are tabled at the programme board and CMT.
R6	Ensure greater consideration of VFM.	See response to R2 above. Completion of a full business case should enable a proper consideration of VFM.

4. FINANCIAL IMPLICATIONS

- 4.1 Improved project management should aid improved financial management.

5. LEGAL IMPLICATIONS

- 5.1 No legal implications to the report.

6. **CORPORATE OBJECTIVES**

6.1 Project management is critical to delivering all the Council's objectives, but specifically comes under the Improvement objective.

7. **RISK MANAGEMENT**

7.1 Risk management is a key part of managing any project.

8. **CUSTOMER IMPLICATIONS**

8.1 Projects should be delivered on time, to budget and to the desired level to quality. A key component of quality is whether the project has met the identified customer need.

9. **OTHER IMPLICATIONS**

Procurement Issues N/A
Personnel Implications N/A
Governance/Performance Management N/A
Community Safety including Section 17 of Crime and Disorder Act 1998 N/A
Policy N/A
Environmental N/A
Equalities and Diversity N/A

10. **OTHERS CONSULTED ON THE REPORT**

Portfolio Holders	Via E-Mail.
Chief Executive	Programme Board.
Corporate Director (Services)	Programme Board.
Assistant Chief Executive	Programme Board.
Head of Service	No.
Head of Financial Services	No.
Head of Legal & Democratic Services	No.
Head of Organisational Development & HR	No.
Corporate Procurement Team	No

11. **APPENDICES**

Appendix 1 – Bromsgrove Project Management (Audit Commission)

12. BACKGROUND PAPERS

Project Management Methodology (Bromsgrove District Council).

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