

Project Board Investigation
Major Projects External Bodies Panel Task & Finish Group

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1. Introduction

A small task group from the Major Projects External Bodies Overview & Scrutiny Panel have undertaken a review of the Council's Major Project Boards. This report sets out the findings of their investigation and makes recommendations to the Executive Member for Economic Development, who's portfolio includes Major Projects, for improvements to the Boards' role and operation.

As part of the standard project management process, all projects under the management of Development & Major Projects have Project Boards.

Having been functioning for 18 months there have been some questions raised as to the Project Boards' role and operating processes within the major project management system. Although the instigation of Project Boards has resulted in a greater distinction between the client and the project, issues still exist over how decisions or recommendations are progressed from the Project Board. Councillors and officers alike have questioned their effectiveness and whether there is a consistent approach being taken across each of the Boards. Concerns have also been expressed as to the wider engagement with these Project Boards from services outside the Development & Major Projects directorate.

2. Review Objective

- To assess whether the Council's Project Boards are achieving the objectives set out in their conception.
- To recommend ways in which the Project Boards can function more effectively

3. Review Methodology

To achieve the scope of the review (see Review Terms of Reference in Appendix 1) the panel undertook the following activities.

- Received a briefing from Major Projects Officers as to the operation processes of the Boards and examined background information, including example Board reports, agendas, minutes, project Board Terms of Reference, membership lists, attendance records. These papers can be found in Appendix 2.
- Observed two of the Project Boards in session.
 - Combe Down Stone Mines Project Board
 - The Schools Project Board
- Interviewed a number of participants of the Boards.

Table 1: Interview Day 11th April 2006, Dome Room.

Time	Interview	Role
10:00	Colin Darracott	Executive Member CDSM
10:30	John Betty	Project Sponsor CDSM
11:00	Vernon Hitchman	Representative of Legal input
11:30		
12:00	Jean Hinks	Representative of S151 input
12:30	LUNCH	
13:00		
13:30	Tony Parker	Project Leader Schools
14:00	Tony Powell	Project Manager - Reporting Officer for Schools Board
14:30	John Brown	Emergency Management, Reporting officer for CDSM
15:00	David Davies	Representative of Planning input

Jonathan Gay Executive Member for Education and Mary Stacey, Project Leader for CDSM were also interviewed at a later date.

A record of these interviews can be found in Exempt Appendix 4

4. Background

4.1. The origin of the Boards

The impetus to set up project Boards came from an external auditor review (PWC) into the Bath Spa project, and the need for the council to maximise the benefits of lessons learned. The setting up of these Boards are established within the Council's Budget Management scheme. (See extract below)

Capital Budget Management

“Before any scheme is included in any programme, budget management responsibility must be assigned. Budget managers (who may be Heads of service, Directors, other designated officers or Project Sponsors) will follow guidance issued by the Resources Director from time to time on budget approval process, and where necessary (eg for major projects) will establish project Boards, and follow the Council guidance on project management arrangements.”

4.2. The Terms of Reference of the Boards

The principal reason for the setting up of Project Boards is to monitor and review the overall risk exposure of the Council from developments and major projects and ensure satisfactory actions/plans are in place to manage these risks, this is reflected in the generic Terms of Reference for the project Boards (see Appendix 3).

This states that the objective of the Boards is to provide guidance to the Project Sponsor on overall strategic direction and help to spread the strategic input and buy-in to a larger portion of the organisation.

It also sets out the role of the Project Boards to:

1. Advise on the scope of the project.
2. Advise on priorities for development of the project.
3. Approve an overall project plan.
4. Provide guidance to the Project Sponsor and decision makers on overall strategic direction.
5. Approve an implementation plan that delivers the benefits within agreed costs.
6. Receive monthly high level progress and financial reports
7. Understand the level of exposure of the Council to tangible and intangible risks and report to Directors and Executive Members accordingly.
8. Recommend referrals to Overview and Scrutiny Panel when appropriate.
9. Ensure strategic liaison with related service areas and other strategic partners.
10. Liaise with the Project Programme Board to identify any interdependencies with other Major Projects.
11. To monitor whether project is meeting agreed criteria.
12. To ensure that the project is managed in a manner which is consistent with the approved Council project management methodology.

The Terms of Reference are clear that the Executive Member retains key decision making powers in accordance with the Councils Constitution, although these may be delegated to the Project Sponsor.

4.3. The operation of the Boards

The Development & Major Projects Directorate operate the following Project Boards.

- The Spa Project Board
- Combe Down Stone Mines Project Board
- Bath Western Riverside Project Board
- Schools Project Board
- Residential Homes Project Board
- South Quays Project Board

The Project Boards are constituted to include the following representatives:

- Executive Member (relevant portfolio)
- 1 Other Member (from a different political group to the Executive member)
- Project Sponsor (normally a Director)
- Legal officer
- S 151 (Finance) officer

The Project Leader and other officers will attend and report to the Board to guide it in its work.

Boards meet monthly to:

- Receive comprehensive update reports from the Project Leader
- Monitor and review project progress in relation to time, cost and quality
- Make recommendations for any decisions and action required to meet the project objectives

All Boards report to a body called the Project Programme Board (PPB) whose role it is to provide strategic monitoring and control of the projects and a higher level of governance. Project Boards may refer significant issues up to the PPB for consideration and the PPB may choose to focus on one project at their meetings.

The membership of the Project Programme Board consists of

- The Chief Executive
- Resources Director
- Executive Member for Major Projects
- Executive Member for Resources
- The relevant project leader/project sponsor as requested

Prior to Project Board meetings each project manager produces a monthly update report that is interrogated by the director of Development & Major Projects. The information within this report is then frozen for that month and this report is fed into the project Boards and ultimately the Project Programme Board. Each month a summary version of this information also goes to the Director's Group, an Informal Executive and bi-monthly to the Overview & Scrutiny Panel.

For a comprehensive overview of the Project Boards' monthly reporting cycle see Appendix 2.

5. Findings and Recommendations

The Task & Finish Group have observed that the introduction of Project Boards to the governance arrangements of the Council's Major Projects has been beneficial. Project Boards add a valuable layer to this reporting system, and encourage cross-working and greater buy-in to the various major projects from across the Council directorates. In this respect it was observed that the purpose of the project Boards, *to help to spread the strategic input and buy-in to a larger portion of the organisation*, is being accomplished to varying levels within the Boards.

In generally most interviewees were supportive of the project Board process:

"We get news as to concerns within the project"

"It has grown a lot now it's monthly. It has made a big difference."

"There is active involvement of the other directorates"

Nevertheless the group have recognised that there are areas where greater flexibility is needed as well as elements of the Boards' operation that would benefit from more definition and rigidity.

5.1. Project Board Process

In looking at the sequencing of the project Boards the group noted that the timetable of monthly meetings is fairly rigid, and doesn't support the ability of the Boards to ebb and flow with the varying timescales and gateways of the project itself.

Although the Panel recognise the importance of clear and consistent reporting and the restraints associated with organising such a complex system, they believe there is room for greater flexibility regarding the timetabling of these meetings.

"...project Boards are stuck in the diary even when the project is in a lull people should be able to say that we don't need to meet."

"There is a one size fits all approach which was not a bad starting point but don't think it is needed on every project at every stage."

Recommendation 5.1

The chair should take the decision to cancel meetings if not needed or call more meetings if required. However, reporting to the project programme Board should keep the same format.

Consideration could be given to increasing the knowledge of Board members by using meetings with lighter agendas for either brain storming or education in more technical aspects of project management i.e. contracts, risk management etc.

5.2. Project Board Meetings

It was observed and also commented upon by participants that there is often no clear distinction between the Board members and the reporting officers during a Board meeting. A more formal set up would reinforce the Board as a place where a project can be tested. This would increase the gravitas of the meetings, lead to deeper engagement, and help to ensure that members adhere to a proper process. However, the Panel also recognised the need to retain the semi-formal style of engagement at the meetings, in order to achieve a balance and avoid being overly bureaucratic.

All Boards are chaired by Project Sponsors and it was agreed across the participants interviewed that this was the best approach to managing the meetings, particularly as it allowed the Executive Member more opportunity to participate and lead on key lines of questioning.

Recommendation 5.2

A more formal set up in the meeting room could be adopted with the Project Board sitting together, the Chair in the centre, facing the reporting officers.

5.3. Project Board membership and attendance

The Members noted from the visits to the Boards and other observations that some Boards tended to suffer from lack of attendance of Board members or over-attendance on behalf of reporting officers, or both! Large numbers of reporting officers have been noted to attend the entirety of a Project Board meeting regardless of whether each item requires their input or not.

For example the CDSM Board had a large number of attendees at the meeting that was observed, and at the Schools Board the discussion concerning the schools projects only began half way through the meeting.

“Invite too many people to attend to give advice – and they all sit through the whole agenda. People should come only for their item e.g. some officer only need to report quarterly.”

It was also made clear to the Councillors that some of the Boards had suffered from poor attendance of Board members and this was proving a problem in terms of continuity and project knowledge within the Board. One of the CDSM had had to be cancelled due to lack of attendance.

The members also observed that a discussion at the Education Board of the possible purchase of a nursery would have benefited by the attendance of a legal officer.

Attendance at the Project Board is important and should be a high priority in Board member’s diaries

The roles of the Board members were explored during the interviews held with participants.

The role of the non-executive Member is considered to be of considerable value but a need for consistency in attendance and commitment was observed.

“they are the only truly independent person in the room and this is extraordinarily valuable”

“this is as a critical friend – monitor the people who are responsible for delivering but can get flooded by too much professional information.”

During the interviews discussions were held with the Council Solicitor and the Strategic Financial Director regarding the role of the legal and financial 151 representation on the Project Board. Whilst accepting there may be occasion when their presence would not be required, the presumption should be that attendance is the norm.

“The role of the lawyer is to make sure information is available and that decisions are made properly and escalated up the proper channels. There absolutely should be someone from legal present; they should be there for guidance on decision making levels and for discussion on contracts.”

Recommendation 5.3

5.3.1 All those tasked with attending should regard attendance as important. If they are unable to attend they should send a substitute if appropriate (i.e. technical, legal, or Section 151). Observations should be made to Chair before the meeting, arising from reading of documentation issued in advance. These should be reported to the Board accordingly.

5.3.2 The PPB should review the current membership and appropriate levels of reporting officers for each Board and that this should continue be reviewed on an annual basis.

5.3.3 The role of non executive councillors is considered valuable and must be retained, members need however to attend consistently to be effective in this role.

5.3.4 It is suggested that the Schools Project Board should split their agenda between their Capital program and the specific school projects thereby enabling reporting officers to only attend for their required item.

5.4. Project Board reporting and decision making

Focus of meetings

There was concern that on occasion the focus of the Project Board meetings tended to drift, becoming bogged down with minutiae. The role of the project board is to bring strategic direction to the project and to bring challenge to the key elements e.g. resources, governance and risk management issues. It is the role of the Chair to ensure that meetings remain focused at this level and that senior Members and Officers' time is more appropriately used.

“Project Boards go into too much detail and too many people there have switched off. “

“Many of the Project Boards are more like a super management forum and don’t step up into the role of leadership which is where they need to be, looking at what direction they can give to a project.”

Recommendation 5.4.1

The Project Boards each need to assess whether they are taking a high enough overview of the project, and review the agendas to ensure the attendance of senior officers and consultants are maximised.

Recommendation 5.4.2

The Project Board’s role should be to assess and direct the project, not to manage it and the Members of the Project Boards should be aware of that role and arrive suitably prepared to undertake that role.”

Report writing

Generally report writing is of a high quality. There are concerns that, in some cases, reports are produced up to seven days before the meeting and may be out of date. The solution to this issue is not an obvious one as the reporting sequence for all the project boards are, to a certain extent, interdependent.

Having too much information within the report does not help the Project Meeting remain focused at a strategic level and takes up unnecessary time. It would be an improvement if the monthly reports were to only report on the top line issues faced by the project, and list areas where decisions and recommendations are needed. The verbal report that the reporting officer gives at the meeting could cover any remaining information.

“Should be doing more at corporate level – resources, governance. Less information and more looking at the type of issues that the PPB and Council would be looking at.”

Within Education Project Board the follow up points were clearly stated and summed up by the Chair at the end of the meeting.

Reporting officers commented that occasionally they were unsure as to whether they should make recommendations to the board or highlight need for a recommendation to be made by the Board. CDSM have produced a template that helps to define the level of decision making that is required for each issue that comes before the Project Board (see Appendix 5 for an example).

Recommendation 5.4.3

Monthly Reports should be more concise, highlighting the strategic issues that the Board needs to consider. Updates not in the report should be given at the meeting.

Recommendation 5.4.4

As a matter of best practice each Project Board should utilise the CDSM template, used for defining the level of decision needed for each issue (see Appendix 5 for an example).

Decision Making

The Task & Finish Group discussed the audit trail of the decisions being made within projects, although mechanisms are used to register decisions the Members felt that it in some cases it could be made clearer how a decision had been made, by whom and the rationale behind the delegation.

As decisions are not made by Project Boards, but by Executive Members or by Officers, reports should state clearly who is going to make the decision. This would be helped by the attendance or input from legal or financial officers. The decision owner should clearly be recorded in the minutes.

“Have a standard agenda – this gets difficult when it’s artificially added to. Reporting in a format that people can easily use – need to have a standard approach.”

Recommendation 5.4.5

Minutes should record who made the decision to allow an audit of the process, and record follow up points.

Recommendation 5.4.6

From a governance point of view Project Boards should review and challenge the decisions that the Directors and Executive have made in the interim between meetings.

6. Appendices

Appendix 1	Project Board Investigation Terms of Reference
Appendix 2	Diagram: Monthly Reporting Cycle
Appendix 3	Project Board Generic Terms of Reference
Appendix 4	EXEMPT Project Board Investigation: Interview write-up
Appendix 5	CDSM Board Template

Copies of these Appendices can be obtained from the Overview & Scrutiny Office

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7. Task & Finish Group

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