| Agenda Item | **23** |
|---|---|
| Report No | **RES/ 114/15** |

**Project Management Governance Policy**
**Report by the Depute Chief Executive/Director of Corporate Development**

**Summary**

This report presents the Council's new Project Management Governance Policy. It describes the new proposed corporate approach to project management governance and provides assurance to Members that processes and controls are in place to ensure successful project delivery within the Council.

## 1. Background

1.1 Recent internal audit reports have identified a number of concerns about the way Council projects are governed and managed. To address these a new corporate Project Management Governance Policy has been written.

1.2 The agreed actions in response to the recommendations in the Debt Recovery System report include the development of an expanded project management governance framework.

The new governance framework was required to address;

- Requirements specification;
- Development of business cases;
- Procurement processes in relation to projects;
- Project reporting to higher boards and committees;
- Project financial management;
- RAG reporting of project status and project risks;
- Training of responsible officers on project roles.
- Clear guidance on all aspects of this process;

1.3 It is envisaged that the implementation of these actions within an improved and expanded corporate project management governance framework will create an environment in which projects exhibiting conditions of failure are identified on time and appropriate measures put in place to deal with them.

## 2. The Policy – Project Management Governance

2.1 The Policy provides a framework for accountability and responsibilities, ensuring that project decision making is robust, logical and that projects provide value to the organisation. It offers a mechanism for ensuring that accurate and appropriate project status reports are presented regardless of the Service running the project or the type of project.

The Policy is built on the following elements:

- Key principles - the basic rules that affect all projects and a definition of the project life cycle;

- Structure, Accountability and Responsibilities - who does what and what role they play in project governance;

- Governance process (Checkpoints) - defines the trigger points for mandatory governance checks on project status and the evidence required from a Project Sponsor for governance approvals;

- Project Reporting and Standard Processes – defines the reporting requirements and the acceptable way of working within the governance framework. It also defines the other processes that are generic to all projects within the Council. This includes processes that were identified within the Audit & Scrutiny report as requiring attention.

Although the key principles are seen as best practice for all projects, in order not to stifle innovation change by the introduction of too much bureaucracy the Policy will apply specifically and will be enforced for:

- **Projects that require significant investment**. Significant means having a value of £4 Million or more over the lifecycle of the project and any resulting contract/s as set out in the Procurement Reform (Scotland) Act.
- **Projects whose implementation exhibit high level of complexity, ambiguity, tension, uncertainty or risk** – as identified through a scorecard process.
- **Projects that are forecast to deliver substantial cost savings** – as identified by the Council's Senior Leadership Team.

2.2 **Key Principles:**

7 key principles which are applicable to all projects regardless of scale, timescale, budget, organisation, levels of risk, impact on the business, technical/professional disciplines required.

- Accountability and Responsibility
- Openness and Transparency
- Financial Management and Cost Transparency
- Conduct of Procurements
- Continued Business Justification
- Technically assured and well managed projects
- Risk management
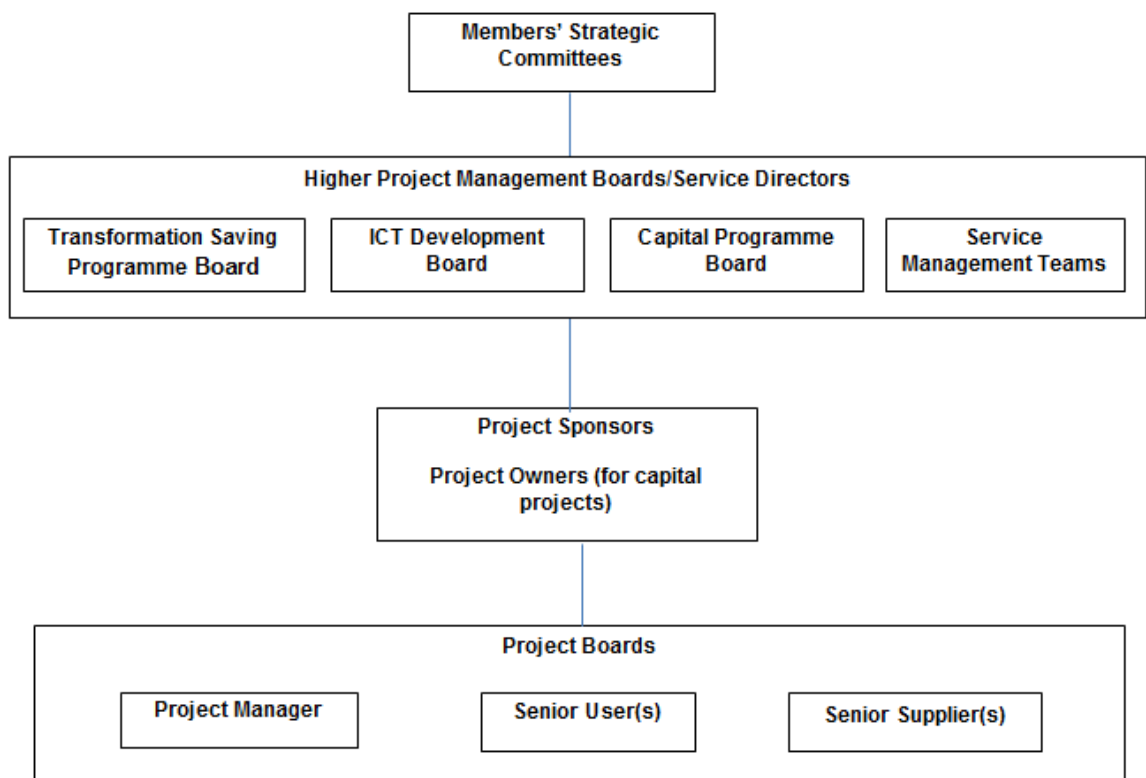- Well defined roles and responsibility

2.3 **Structure and Responsibilities:**

Although there is no desire to add unnecessary complication to the policy, it is recognised that the structures and processes do differ between ICT and Transformation projects compared to capital construction and infrastructure projects.

ICT and Transformation projects are managed using PRINCE2 methodology whereas capital projects are more aligned to the Scottish Government Construction Procurement Manual (SGCPM) methodology. However the policy is intended to cover all circumstances with the flexibility to adapt the principles to suit the scale and type of project.

A core principle that applies for all projects, irrespective of the delivery methodology and terminology used, is that of accountability and responsibility. The policy states that the **point of accountability for a project is the Director of the Service** that is leading on the project. **Responsibility for ensuring that the project runs in compliance with the policy sits with the Project Sponsor**. For construction projects, this role is known as the Project Owner in line with SGCPM but the responsibilities are the same. It is acceptable for the Director to also have the role of Project Sponsor.

2.4 The policy defines a governance hierarchy as shown in the diagram below and the flow of reporting and decision making is also defined in detail. Where there are valid differences between capital and other projects, the policy highlights those differences and shows how they are aligned. This hierarchy is based around existing structures as there seems to be little benefit in creating new structures. Instead the roles of the various bodies are now defined more clearly.



*New project management governance structure*

2.5 **Governance Checkpoints**

The policy defines 6 project checkpoints or gateways – a process that has been in place for ICT projects for some time. In order to pass through a gateway, the Project Sponsor will be required to provide evidence of meeting certain criteria. These criteria are defined in checklists attached as an appendix to the policy. A core

purpose of the gateways is to ensure that the business case is kept up to date and re-visited regularly.

It is recognised that for some situations it is appropriate for business cases and gateway reviews to be applied at a programme level rather than for all individual projects within the programme. This could apply for instance for capital programmes of infrastructure works across the Highlands.

2.6 **Project Reporting and Standard Processes:**

The policy defines specific times and trigger points when and to whom project reporting should happen. This is in keeping with the principle of Openness and Transparency. A definition is given for how RAG status should be used for overall project reporting and for risk reporting.

For overall project status reporting, a Red/Amber/Yellow/Green process has been introduced in line with the current practice within the Corporate Improvement Team. The use of the colours and the action that needs to be taken is clearly defined in section 6.10.7 of the policy so there is no ambiguity.

The policy also covers the situation where a project has to be re-baselined, i.e. the scope, timescale or budget has significantly changed and the project is re-planned. In those circumstances, reporting must clearly show the original timescale and budget for comparison with the re-baselined figures – again in line with the principle of Openness and Transparency.

There is much existing good practice and processes in place in the Council in the area of project management. The policy recognises that and builds on the good practice. The Corporate Improvement Team have made available various toolkits to assist project managers with setting up and running projects. These will be revised as necessary and publicised.

3.0 **Implementation of the Policy**

3.1 Once the policy is approved, a short transition period will be required before full implementation. The plan is for this period to run through to the 1$^{st}$ April 2016 at which point the policy will be fully adopted. During the transition period the following activities will take place:

- Publish the policy and associated templates on the Intranet;
- Revise existing project guidance in line with the policy – also on the intranet;
- Produce training materials and set up online training;
- Run awareness raising sessions with relevant teams;
- Ensure the higher level boards and Service Management Teams are prepared for their role in the policy;

3.2 **Training** will be crucial to ensure good understanding of the policy and a multi-level approach will be taken including:

- Compulsory online training for all Project Sponsors and Project Board members – covering the policy and how it is applied. Approval through Gateway 1 will be dependent on all relevant officers completing this training.

- Focussed workshops as required for new project boards and project teams.

- Similar workshops/presentations for Elected Members as required clarifying their role.

- Publicity around existing internal and external training for project managers.

It should be recognised that project management is a professional discipline that requires specific skills, experience and qualifications relevant to the type and scale of project. Short training courses are only one element of ensuring the Council has suitable project managers. The Project Sponsor has a responsibility to ensure that the Project Manager appointed for their project meets the necessary standard.

3.3 **Review** of the policy will follow a suitable period of time to ensure relevant lessons can be learnt. It is proposed that a first review is carried out after one year with a subsequent two-year review cycle.

## 4 Implications

4.1 Resource Implications: Project Sponsors will have to ensure the required resources are in place to meet the requirements of this project. These overheads must be factored into the business case and the planning of the project.

4.2 Legal Implications: There are no legal implications arising from this report.

4.3 Equality Implications: There are no equality implications arising from this report.

4.4 Climate Change/Carbon Clever Implications: There are no climate change implications arising from this report.

4.5 Gaelic Implications: There are no Gaelic implications arising from this report.

4.6 Rural Implications: There are no rural implications arising from this report.

4.7 Risk Implications: Improved project management governance will reduce the risk of project failure within the Council.

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**RECOMMENDATIONS**

Members are asked to:

- Agree the introduction of the Project Management Governance Policy;

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Signature:      Michelle Morris
Designation:   Depute Chief Executive
Authors:         Banji Omoniyi, Jon Shepherd, Vicki Nairn
Date:             6 November 2015

# The Highland Council

# Project Management Governance Policy

**Framework for Project Sponsors, Project Boards, Service Senior Management and Elected Members.**

**November 2015**

| DOCUMENT DETAILS | |
| --- | --- |

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| **Control dates** | **Approved by** |
| --- | --- |
| Sponsor Review:          12/11/2015 | Michelle Morris |
| Resources Committee:   25/11/2015 | Depute Chief Executive |
| | Corporate Development Service |

| CHANGE HISTORY | | | |
| --- | --- | --- | --- |
| REVISION | DATE | AUTHOR | CHANGE SUMMARY |
| 1.0 | 05/11/2015 | B Omoniyi | First major review |
| 1.1 | 13/11/2015 | J Shepherd | Issue |
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**Appendix**

Appendix 1 – Project Board Structure

Appendix 2 – Scottish Government Construction Procurement Manual – Project Team

Appendix 3 - Project Sponsor Gateway Check List

Appendix 4 – Score Card Sample

Appendix 5 – Requirement Specification Template

Appendix 6 – Business Case Template

# 1 Introduction – Projects Defined

**1.1** This policy defines a framework for the governance of project management within the Highland Council (THC). It stipulates standard processes and governance requirements. It is based on the Prince2 Project management methodology, the Scottish Government Construction Procurement Manual and aligned to the Office of Government Commerce (OGC) Gateway framework. Projects involving procurement will also follow the standards set out in the Scottish Government procurement Policy and the Procurement Journey. It builds on existing processes and guidance in use within the Council and intends to re-use existing controls where they have been shown to be effective. It will be subject to full review after 12 months of publication so that any improvements/lessons learned from initial implementation can be incorporated. There are differences in the management and governance arrangements between capital projects (Property and Infrastructure) and other projects, for instance due to the specific requirements for construction projects such as the Construction (Design and Management) Regulations 2015. The framework is intended to cover all circumstances with the flexibility to adapt the principles to suit the scale and type of project.

**1.2** The framework is designed to ensure that the right environment for project success is created within the Council. It will define structures and processes that will ensure that projects are managed well and in accordance with this framework's key principles; that projects are aligned to the Council's strategic objectives, and that any projects exhibiting conditions of failure are identified on time and appropriate corrective and mitigating measures are put in place.

**1.3** Project management governance provides a framework for accountability and responsibilities, ensuring that project decision-making is robust and logical and that projects provide value to the organisation. It offers a mechanism for ensuring that projects are conceived and implemented in accordance with agreed standards and regulations.

**1.4** Projects, within THC context, are defined as planned pieces of work that are designed to produce a specific outcome within a specified timescale and resource and require a dedicated temporary team in the form of a Project Board/Team to deliver that outcome. The decision to implement a planned piece of work as a project is the responsibility of Service Directors and the decision must be informed by a Scorecard as described in Section 5.1. For the purpose of this policy, governance could be applied at a programme level if felt to be appropriate by the Service Director. This would mean, for instance, that a programme consisting of a number of projects (such as bridge replacements or building maintenance or the Council's annually reported procurement strategy and programme) across the Highlands could be treated as one entity under this

policy, meaning that the policy would not have to be separately applied for each individual project within the programme.

**1.5** Whilst the standards and processes articulated by this document are seen as best practice for all projects within the organisation, **compliance will only be enforced and monitored for projects** that;

- Requires significant capital or revenue investments – significant investment means having a value of £4 million or more over the lifecycle of the project and any resulting contract/s as set out in the Procurement Reform (Scotland) Act.; or
- Projects whose implementation exhibits a high level of complexity, ambiguity, tension, uncertainty or risk as identified by the scorecard in Appendix 4; or
- Projects that are forecast to deliver substantial cost savings as identified by the Council's Senior Leadership Team.

## 2   THC Project Management Governance Principles

**2.1** To provide an appropriate level of proportional and consistent governance across the Council, the project life-cycle and associated processes are underpinned by the following key principles:

**2.1.1** Accountability and Responsibility: A single point of accountability will exist for all projects within a Service. This point of accountability will be the Service Director while responsibility for ensuring that an individual project is run in compliance to this framework lies with the Project Sponsor. It is acceptable for the Service Director also to be the Project Sponsor. The practical application of the framework and the actual management of the project will be undertaken by a suitably trained/qualified Project Manager.

**2.1.2** Openness and Transparency: Project performance will be visible across the different level of governance, and reporting will be consistent, with a minimum data requirement set for all project status reports.

**2.1.3** Financial Management and Cost Transparency: All projects will adhere to the Council's Financial Regulations. Whole life-cycle costs will be estimated for all projects, including internal staff costs, and updated cost information will inform the business case and the tender process. Changes to baseline costs will be documented. For capital Infrastructure projects, "whole life-cycle costs" will usually be restricted to the project delivery costs only and there will be no corresponding change in revenue budgets as a result of the project.

**2.1.4** Conduct of Procurements: All procurements carried out either as the key objective of a project or as a subsidiary activity must be carried out in accordance with the Council's Contract Standing Orders.

**2.1.5** Continued Business Justification: The project Quality Plan in the case of infrastructure projects and Business Case in the case of other projects will be updated and reviewed at key decision points. Projects will only progress if the viability of the Quality Plan and the viability of Business Case are confirmed and assumptions validated.

**2.1.6** Technically assured and well managed projects: All projects will be supported by sound technical and specialist advice and managed by suitably qualified and experienced Project Managers supported by appropriate project teams. For projects involving procurement, this will be supported by a suitably qualified and experienced Procurement Lead Officer who may also act as the overall Project Manager for purely procurement projects. When applicable, adequate feasibility studies will be completed with robust scoping and where a reference site is used, comparison will be based on requirements and accrued benefits.

**2.1.7** Risk Management – All projects will have a well-defined risk and issues management strategy and a consistent approach to risk and issues reporting.

**2.1.8** Well-defined roles and responsibility: Roles within projects will be well defined with training and support provided to ensure that obligations under this framework are understood and embedded within projects. It is **compulsory** for all members of Project Boards and all Project Sponsors to complete an online training session on this framework before serving on a Project Board. For projects involving procurement, all those involved in the procurement activities must also have current procurement authorisation at the appropriate level and have had the necessary procurement training.

**2.2** Supporting these principles, are the monitoring checks and processes defined by this framework. These checks are carried out through a number of decision points that are based on the OGC Gateway framework. These check-points and processes are described in Section 5.0

**2.3** These checks and processes will ensure that the right environment and culture for project success is maintained across the Council with emphasis on three key

project variables – the quality of the project deliverables and benefits (scope), the overall cost of the project, and the project time-scale.

# 3  THC Project Life-cycle

**3.1** All projects regardless of complexity, scale or subject do share common features that allows for the design of a generic life-cycle. This life-cycle shows the different stages that projects progress through and are used as mandatory governance checkpoints.

**3.2** THC project life-cycle will have 6 stages; Conception, Definition, Initiation & Planning, Delivery, Closure and Post Project Review. These stages apply to all transformational saving projects, capital projects (property and infrastructure), ICT projects and other services led projects within the Council. To steer a project through the project life-cycle, **a Project Board must be assigned to manage the project –** this is either done by forming a new Project Board or by assigning the project to an existing Project Board with relatable project objectives.
The full make-up of a Project Board under Prince2 is described in Appendix 1 but there will be situations where a Project Board consisting of just a Sponsor and Project Manager/Procurement Lead will be sufficient. It is the responsibility of the Project Sponsor to ensure that the make-up of the Project Board adequately reflects the requirement for good project control but at the same time is not disproportionate to the scale of the project.

**3.3** Conception is the stage at which an idea is created or a need (a requirement for change) is identified and a strategic decision is made as to whether or not it should be pursued.

**3.4** Definition involves a full exploration of the change requirement and a detailed look at the associated business case; the scope for the project is considered and procurement approaches investigated.

**3.5** Initiation and planning – A full plan for implementing the change is created and a contract or contracts awarded to any 3<sup>rd</sup> party suppliers as a result of commercial competitions carried out as part of the project. This is the Production Information and Tender stage for capital project procedure.

**3.6** Delivery – This is the implementation stage for the project, where the project objectives are delivered.

**3.7** Closure – the project is drawn to a close and a review is carried out to confirm if there are any deliverables that have yet to be delivered and to formally end the project organisation.

**3.8** Post Project Review – this is the stage at which the project is reviewed to confirm achievement of expected benefits and to ensure that lessons learned are identified and propagated through the organisation.

**3.9** A diagrammatic representation of the project life cycle is shown below with the appropriate governance objectives for each stage;
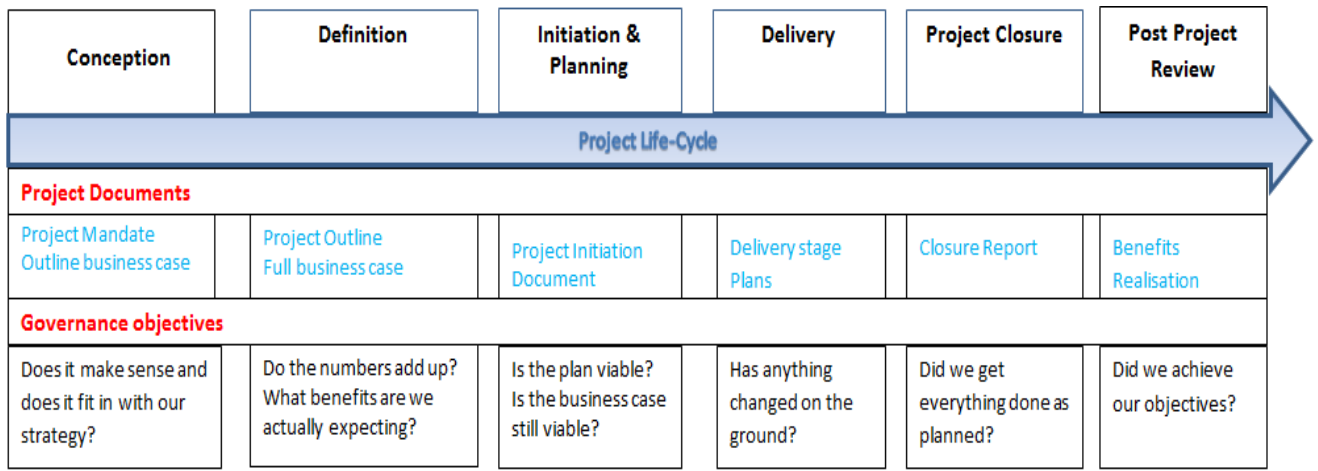
| Conception | Definition | Initiation & Planning | Delivery | Project Closure | Post Project Review |
|---|---|---|---|---|---|
| **Project Life-Cycle** | | | | | |
| **Project Documents** | | | | | |
| Project Mandate Outline business case | Project Outline Full business case | Project Initiation Document | Delivery stage Plans | Closure Report | Benefits Realisation |
| **Governance objectives** | | | | | |
| Does it make sense and does it fit in with our strategy? | Do the numbers add up? What benefits are we actually expecting? | Is the plan viable? Is the business case still viable? | Has anything changed on the ground? | Did we get everything done as planned? | Did we achieve our objectives? |

*Diagram 1 - Highland Council Project Life Cycle*

**3.10** Current ICT and Capital project life-cycle matched to the generic project life-cycle

**Project Lifecycle and Governance - Mapping**

| GENERIC PROJECTS | CONCEPTION | DEFINITION | | | PLANNING AND INITIATION | DELIVERY | | CLOSURE | POST-PROJECT REVIEW |
|---|---|---|---|---|---|---|---|---|---|
| ICT PROJECTS | STRATEGIC ASSESSMENT | BUSINESS REQUIREMENTS | PROJECT DEFINITION | | PROJECT INITIATION | PROJECT DELIVERY | | BENEFITS REALISATION | |
| CAPITAL PROJECTS | PROJECT INCEPTION | APPRAISAL/BRIEF | CONCEPT DESIGN | DETAILED TO TECHNICAL DESIGN | PRODUCTION INFORMATION AND TENDER | MOBILISATION | CONSTRUCTION | POST PC | |

*Diagram 2 - Highland Council Project Life Cycle matched to ICT and Capital Project Life-cycle.*

# 4 Governance Structure and Responsibilities

**4.1** The governance structure is a hierarchical arrangement of lines of accountability for project governance within the Council. It shows how information about the management of a project's status, risk and issues flows between the different levels of responsibility.

**4.2** Service Directors through Service Management Teams or where in place, Higher Project Management Boards will act as the single point of accountability for all projects within that Service.

**4.3** Whilst overall accountability for enforcing/ensuring compliance rests with the Service Director/Higher Project Management Boards and or Service Management teams, responsibility is devolved to the Project Sponsor and the Project Board for each project.

**4.4** Service Directors will ensure that an appropriate report is forwarded on to the relevant Strategic Committee and, if appropriate, to local/area committees when project report triggers are activated. These triggers are defined in Section 6.2

**4.5** The diagram below shows the full reporting structure for **project management governance** within the Council;
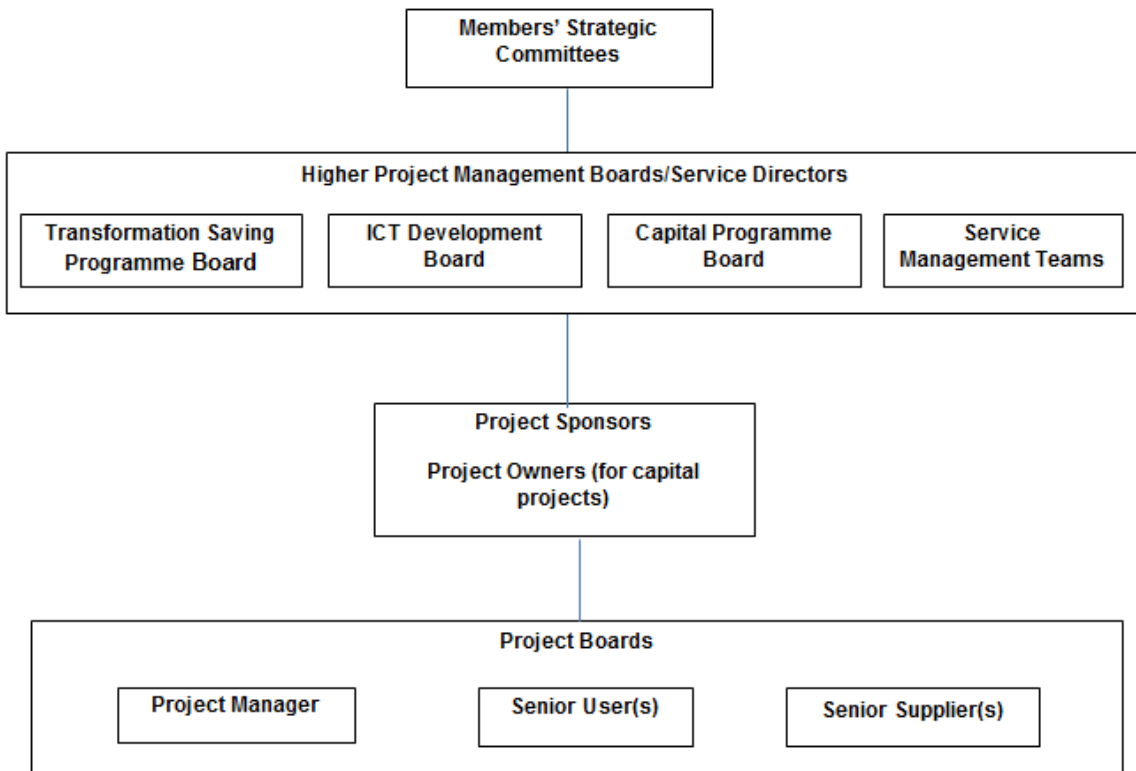


*Diagram 3 - Highland Council Project Management Governance Structure*

**4.6** For construction projects**,** the project management team structure defined within the Scottish Government Construction Procurement Manual will apply, with the "Project Owner" responsible for ensuring that the level of governance defined within the Council project management governance framework is implemented. Table 1 below maps the roles within the Scottish Government Construction Procurement Manual to the Council's Project Management Governance Framework. Appendix 2 shows the full project team structure for the Scottish Government Construction Procurement Manual.

*Table 1 – The Scottish Government Construction Procurement Manual roles within THC Project Management Governance structure.*

| THC Project Management Governance Framework Roles | Scottish Government Construction Procurement Manual Roles |
|---|---|
| Strategic Committees | Investment Decision Maker |
| Service Director/Higher Project Management Board | Investment Decision Maker |
| Project Sponsor | Project Owner |
| **Project Board members** Project Manager Senior Supplier Senior User | Project Manager Project Sponsor Service User Representative |
| Technical assurance – Service level implementation. | Client Adviser |
| Project Team – Service level implementation (not defined within framework) | External consultant Project Manager Consultants Contractors Supplier |

## 4.7 Governance Responsibilities

This defines the governance responsibilities at the different layers of the governance structure;

### 4.7.1 Elected Members – Strategic Committees

a) The Strategic Committees will provide independent and objective scrutiny of projects that are forecast to go above the defined 10% tolerance level, ensuring that sound financial decisions are made.

b) They will receive regular monitoring reports from Service Directors and will scrutinise the reports to confirm that programme/ and project benefits are delivered within budget and timescale.

c) They will hold Services to account for the implementation of the Project Management Governance Policy.

**4.7.2 Higher Project Management Boards/Service Directors**

a) Service Directors serve as the single point of accountability for their assigned projects. The Higher Project Management Boards (HPMBs) provide scrutiny and application of the governance process.

b) Current Higher Project Management Boards include;

- Transformation Saving Programme (TSP) Board: chaired by the Chief Executive - responsible for ensuring the governance framework is applied for projects that fall within the programme.

- ICT Development Board – chaired by the Depute Chief Executive – responsible for ensuring the governance framework is applied for all ICT projects.

- Capital Programme Board: chaired by the Director of Development and Infrastructure - responsible for ensuring the governance framework is applied for capital projects.

- Service Management Teams: Chaired by individual Service Directors – responsible for ensuring the governance framework is applied to all Service led projects.

c) The HPMBs will provide governance assurance to the Strategic Committees – so that elected Members can be assured that current and proposed projects have embedded the structure and processes defined within this framework.

d) The HPMBs will provide an initial strategic assessment of all project mandates; ensuring that a project fits into the strategic and operational objectives of the Council, that it is not a duplication of work and that there are sufficient resources within the organisation to undertake the project.

e) The HPMBs will review project monitoring reports, confirming that there is continuous business justification for the project and will authorise gateway progression through the project life-cycle as necessary.

f) The HPMBs will review and authorise project variables re-baseline recommendation from the Project Sponsor. Re-baselining is when a remedial action has been taken to change the baseline figure of one or

more of the variable of a project; for example when the delivery time-scale is changed to account for a revised implementation date.

g) The HPMBs will provide support and advice in resolving issues and in implementing mitigations against risks. This may include providing independent assurance to Project Boards.

h) Make decisions on tolerance levels.

### 4.7.3 Project Sponsor:

a) The Project Sponsor makes decisions with regard to management of the project. The Project Sponsor owns the business case and is responsible for providing continuous justification of the business case or quality plan to the HPMB.

b) Responsible for providing project status reports and exception reports to the HPMB; making recommendation for gateway progression to the HPMB. The recommendation will be supported by a stage report and a completed checklist (See Appendix 3) to show that all aspects of the project variables have been considered before a recommendation is made to the HPMB.

c) Work with the Project Board to ensure that proposed benefits are accrued and evidence of such benefits is captured.

d) Makes recommendation on the re-baselining of project's variables and demonstrate the astuteness of re-baselining.

e) Own the risk mitigation plans and project objectives.

f) Ensure that a suitably trained Project Manager is assigned and that there are appropriate resources to deliver the project.

### 4.7.4 Project Board:

a) The Project Sponsor is responsible for setting up and chairing the Project. The Project Sponsor must ensure that all the responsibilities assigned to the Project Board are met.

b) Whilst these responsibilities may be devolved to the Project Manager, accountability remains with the Project Sponsor.

c) The Project Board will provide assurance to the relevant HPMB that appropriate risk mitigation plans are in place for all project risks,

regularly monitor the viability of the mitigation plan, and report any exception to the HPMB.

d) The Project Board will provide assurance to the HPMB that the financial management of the project is within tolerance and report changes to baseline figures to the HPMB.

e) Seek technical assurance from the appropriate Service specialist team for the project to ensure that proposed technical solution fits into the Council's strategic goals.

f) THC membership of Project Boards will be only for officers that have completed the mandatory training course and ideally have experience. Project Boards may also have supplier representation when the supplier has been contracted to act as an agent for the Council or to provide specific advice relating to the requirements. Mandatory training may not be possible for external suppliers but the Sponsor is responsible for ensuring that they understand their role on the Project Board.

# 5  The Governance Process – Governance Checkpoints

**5.1** It is the responsibility of Service Directors to ensure that all change initiatives within their Service are assessed against the criteria set in Section 1.5. If a change initiative is not run as a project, then evidence must be captured via a scorecard as to why it is not a project. A scorecard template is provided in Appendix 4.

**5.2** The governance process provides the mechanism for the project management governance structure to perform its governance responsibilities under this framework. The process is designed to confirm governance compliance during the key decision-making points within the project life-cycle. The principle is that these decision-making points are seen as gateways that are shut, and have to be proactively opened before a project can move forward. This is based on the OGC Gateway framework.

**5.3** There are six gateway points - the expectation for each gateway is specified in the Table 2 below; it is expected that the Project Board through the Project Sponsor will provide the required evidence to the HPMB to demonstrate that the project is ready to progress through the gateways, and as a minimum in procurement projects the Sponsor/Board must approve the business case, project plan, strategy, and tender board report;

**Table 2 – Mandatory Governance Checkpoints**

| OGC Gateway Descriptions | Project Lifecycle Stage | Evidence provided to the Higher Board | Outcome |
|---|---|---|---|
| **Gateway 0 (G0)**<br><br>Strategic assessment of project. | Conception | Evidence showing that an **Outline Business Case** has been developed – to show the justification for the project; the scope, objectives, timeframe and timescales and initial estimates of costs and benefits.<br><br>Completed Gateway 0 checklist – see Appendix 3 | Approval to fully investigate and define the project. |
| **Gateway 1 (G1)**<br><br>Business justification for the project. | Definition | Evidence showing that assumptions in the Outline Business Case have been validated and a **Full Business Case** has been produced – showing requirements specification (quality), cost, timescale, results of pre-market research, risks and issues and a procurement strategy.<br><br>For infrastructure projects, evidence showing that a Quality Plan has been created and estimated project cost have been provided.<br><br>Evidence that the Project Sponsor has nominated a Project Board.<br><br>Evidence that nominated members of the Project Board have received formal training on the Council's Project Management Framework<br><br>Completed Gateway 1 checklist – see Appendix 3 | Approval to start pre-market activities and create project implementation plan. |
| **Gateway 2 (G2)**<br><br>Prepare for delivery. | Planning and Initiation | Evidence showing that a **Project Initiation Document (PID)** has been completed and assumptions in the **Full Business Case** have been clarified and validated where necessary.<br><br>For infrastructure projects, evidence showing that the Quality Plan has been reviewed – with | Approval to award contract and begin implementation of project delivery. |

|  |  | project cost updated and that design review frequency has been agreed and verification plan is in place.<br><br>Evidence showing that the project cost model and other assumptions have been reviewed. Where applicable, payback period and Return on Investment (RoI) strategy agreed.<br><br>Evidence showing that risk and issues management approach has been agreed.<br><br>Evidence of completion of appropriate competition via a tender board report.<br><br>Completed Gateway 2 checklist – see Appendix 3 |  |
|---|---|---|---|
| **Gateway 3 (G3)**<br><br>Project commencement | Delivery | Evidence showing that the project is progressing within tolerance and that risks and issues are being managed.<br><br>Evidence showing that the business case has been reviewed and updated and project cost model is still valid.<br><br>Evidence showing that risk and issues management strategy is working.<br><br>Evidence showing that project is delivering milestones.<br><br>For infrastructure projects, evidence showing that the Quality Plan has been reviewed and that design review is progressing as planned and project budget is within tolerance<br><br>Completed Gateway 3 checklist – see Appendix 3 | Approval to go live. |
| **Gateway 4 (G4)** | Closure | Evidence showing that the project has delivered the key deliverables and immediate benefits are been | Approval to close project and commence post project |

| | | realised. | review |
|---|---|---|---|
| | | Evidence that lesson learnt and outstanding actions, risks and issues have been clearly documented and resolution plan is in place. | |
| | | Completed Gateway 4 & 5 checklist – see Appendix 3 | |
| **Gateway 5 (G5)** | Post Project Review | Evidence confirming that longer term project's benefits have been delivered. | Benefits Accruement |
| | | Completed Gateway 4 & 5 checklist – see Appendix 3 | |

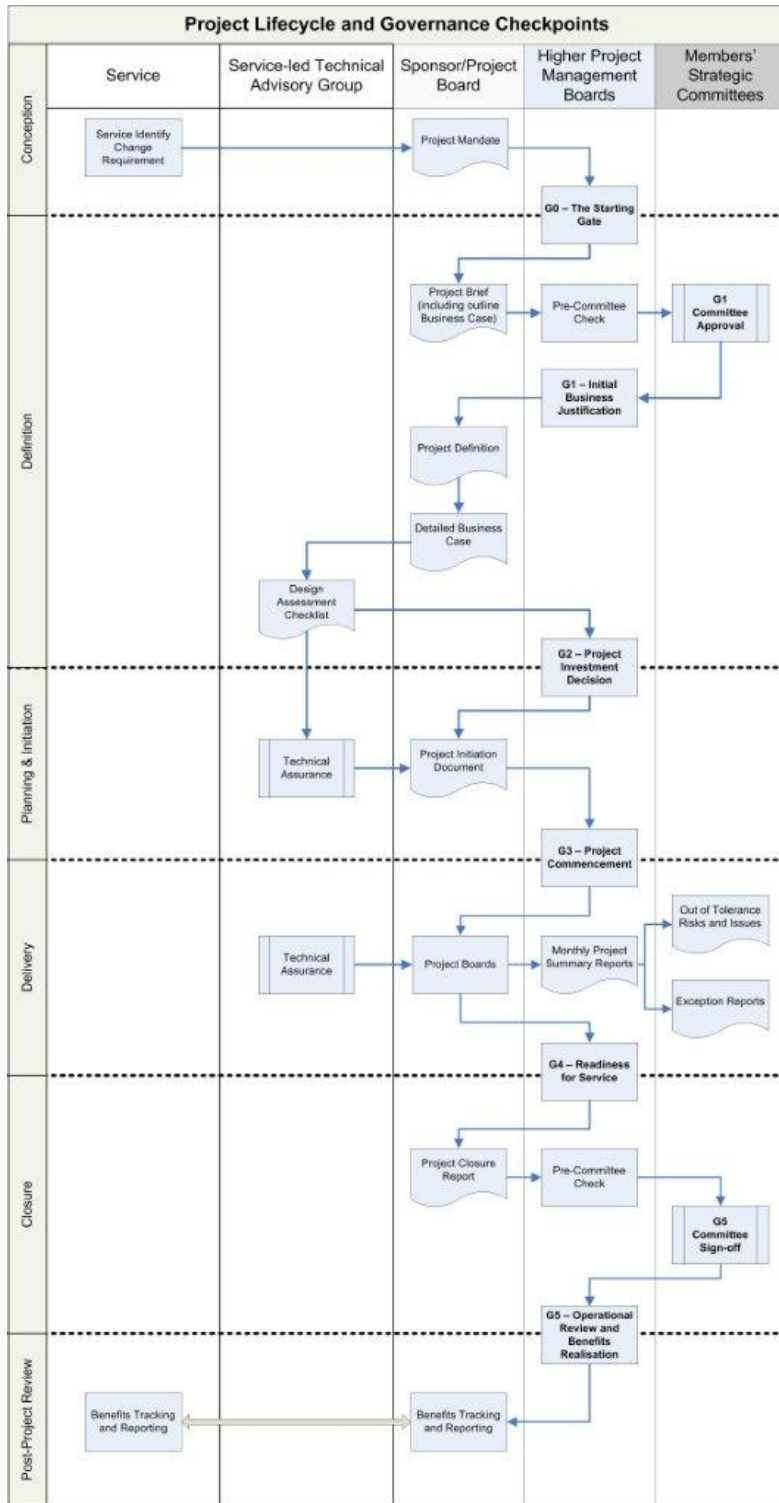5.4 A diagrammatic representation of the process is provided below;



*Diagram 3 - Process Flowchart – Project Life Cycle against governance responsibilities*

**5.5** Information will be passed up the governance structure through Project Status Reporting; these reports will be triggered by the mandatory check-points in the governance process and by exception when a project is forecast to exceed a defined tolerance level.

**5.6** Mandatory trigger points for reports to committees are before check-point G1 – project definition stage and check-point G5 –post project reviews.

**5.7** Exception reports will be triggered by the following conditions –

- Explicit request from Strategic Committees;

- Explicit request from Audit and Scrutiny Committee;

- If there is a significant (above 10%) increase in initial cost estimates between the G1 and G2 review.

- During the Delivery Stage when a project is forecast to exceed defined tolerance level in respect of time or benefits to be delivered.

# 6  Project Status Reporting

**6.1** Project Status Reporting provides the monitoring and control functions that enable the critical assessment of the ongoing viability of the project and reports on the overall progress of the project.

**6.2** It defines how the overall status of projects, risk and issues are communicated across the governance structure.

**6.3** The Project Sponsor is responsible for providing project status reports to the HPMB. The Service Directors are accountable for providing reports to Elected Members while the Project Sponsor is responsible for generating the report.

**6.4** Reports to Elected Members will be provided prior to mandatory check points G1 and G5 and when tolerance levels are forecast to be exceeded. Check points are as described in Section 5 of this framework. Project Sponsors will be expected to raise exception reports between gateway points when required.

**6.5** Project Sponsor will provide project status reports to the HPMB at every check-point and will provide exception reports when a project requires remedial action or when a project overall RAG status is RED. The report will be circulated to members of the HPMB 4 days before a HPMB meeting.

**6.6** The Project Manager will provide regular project status report to the Project Board.

**6.6** A project status report regardless of gateway point will contain the following minimum dataset,

- Project Life-cycle Stage
- Project current Gateway
- Over-all Project RAG status
- Project Risk RAG status
- Project Issue RAG status
- Statement of validation of business case or quality plan
- Milestones update
- Financial update
- Risk and issues update
- Changes and comparison to original baseline figures
- Changes to original impact assessments.
- Project Sponsor name and official designation
- Project Sponsor Recommendation

**6.7** If a project status report fails to provide the minimum dataset, then the report will be considered as in-complete and the Project Sponsor would be require to re-submit the report with the missing data.

**6.8** All project status reports will be accompanied by the appropriate stage checklist (See Appendix 3) signed by the Project Sponsor, confirming that due diligence has been completed for key aspects of the project.

**6.9** If, after going through a check-point, any changes to baseline figures outside of the agreed tolerance levels of the project would require a new gateway review for the current gateway.

**6.10** RAG Definitions

**6.10.1** Red Amber Green (RAG) provides a traffic light visual representation of the current state of a reported item against the current baseline. To ensure consistency across the organisation, a RAG standard including a "Yellow level" designation (RAYG) has been defined based on the work of the Corporate Improvement Team (CIT); this standard will only apply to overall project status.

**6.10.2** The overall purpose of a RAG status is to indicate the level of attention and the action required at a particular point in time. RAG definition will be applied and be reported separately for the overall project status, project risk management and for project issues.

**6.10.3** Overall RAYG status must generate consistent response across all projects within the Council, hence the overall RAYG system have been defined against expected responses.

**6.10.4** The overall RAYG status for a project must be a cumulative of the RAYG statuses of three areas of project objectives – quality (scope), cost and time. Hence a project can't be RAGGED green if any of the three variances are RAGGED at any other colour.  The project would be RAGGED with the worst RAYG status.

**6.10.5** Project risks are to be RAGGED against the level of control that the Project Board have on the mitigation plan. This will be based on the standard Red, Amber and Green levels. For clarity, risk can be defined as an uncertain event or set of events, which should it/they occur, will have an effect on the ability to deliver a project. Refer to Section 7.5 for more details.

**6.10.6** Project issues are to be RAGGED against implementation of a resolution i.e. an indication of whether issues are under control or not. This will be based on the standard Red, Amber and Green levels. For clarity, issues are unplanned events or conditions that have already happened or are currently happening and that have impacted or are currently impacting on the objectives of the project. Refer to Section 7.5 for more details.

**6.10.7** RAYG definition for overall Project Status and expected response

*Table 1- RAYG Definitions for Overall Project Status reporting*

| RAG Status | Quality (Scope) | Cost | Time | Response |
|---|---|---|---|---|
| **Red** | Deviation imminent or has occurred on the agreed project objectives and scope. | Imminent increase above the 10% tolerance threshold on the estimated project cost for that particular milestone or for the whole project. | Project on course to miss milestones delivery dates or projected closure date. | Project Sponsor to escalate to Higher Boards with an Exception Report.<br><br>Higher Board to inform appropriate Member's committees if committee level tolerance threshold are broken<br><br>High level remedial action required and discussion with the Service Director for the appropriate action. |
| **Amber** | Likely imminent deviation from the agreed project objectives. | Likely imminent increase on estimated project cost for that particular milestone delivery or for the whole project. | Likely imminent issues with delivery timescale; a milestone date may be missed. | Raise awareness with Higher Board.<br><br>Project Board to take remedial action.<br><br>Project to be monitored and project's critical path reviewed. Project Board to start remedial action. |

| | | | | Project Board to review assumptions on business cases, cost benefit report and review project's critical path and analyse impact. |
|---|---|---|---|---|
| **Yellow** | Likely "non-immediate" deviation from agreed project objectives | Likely "non-immediate" increase on estimated project cost for that particular milestone delivery and for the whole project. | Likely "non-immediate" issues with delivery timescale; a milestone date may be missed. | No immediate action required to remain on track.<br><br>Project Board to proactively monitor all project objectives. |
| **Green** | No deviation expected from the project objectives | No deviation expected from the estimated project cost. | No issues with timescale; current project milestone will be delivered in time. | No action required. |

**6.10.8** RAG definition for risks measured against Council's control of the mitigation plan.

*Table 2 - RAG Definitions for Project Risks reporting*

| RAG Status | Description | Response |
|---|---|---|
| **Red** | No mitigation plan in place or the Project Board has zero control over the mitigation plan or no control over key critical paths of the project or mitigation plan is unknown because the mitigation information is not available. | Project Sponsor/Board to engage with stakeholders, re-assess the project's critical pathways and identify contingency plans. Update risk register accordingly.<br><br>Project Sponsor to escalate to HPMB. |
| **Amber** | Mitigation is partly in place but does not cover end to end management of the risk as the Project Board does not have "managed control" of all aspects of the risk. | Project Sponsor/Board to engage with stakeholders, re-assess the project's critical pathways and identify contingency plans.<br><br>No escalation required. Update risk register accordingly. |
| **Green** | Mitigation plan in place and all aspect of the risk can be control by the Project Board. | Continue to monitor the risk and update risk register accordingly. |

**6.10.9** RAG definition for issues measured against resolution

*Table 3 - RAG Definitions for Project Issues reporting*

| RAG Status | Description | Response |
|---|---|---|
| Red | No resolution identified yet or resolution has impact on business case. | Escalate to the HPMB.<br><br>Project Sponsor/Board to engage with stakeholders, re-assess the project's critical pathways and business case.<br><br>Service Director to consider Exception Report for Strategic Committee. |
| Amber | Resolution identified but problem with implementation. | Project Sponsor/Board to engage with stakeholders<br><br>Escalate to the HPMB. |
| Green | Resolution identified and implementation in progress.<br><br>Project will be able to proceed soon. | Add to Project Log and monitor as an on-going project risk. |

**6.10.10** RAG Status on re-baselined Projects

a) Re-baselining is when a remedial action has been taken that changes the baseline figures of one or more of the variables of a project; for example when the delivery timescale is changed to account for a revised implementation date or if there is a project cost increase with budget increase agreed through the relevant HPMB or Strategic Committee. It is essential that the RAYG status thereafter reflects these changes.

b) A new RAYG status reflecting the current state of the project metrics measured against the new baseline value is to be reported. However, in order to provide a complete project life-cycle view, all re-baselined projects are to be reported on a table – showing original baseline values against new baseline values and the date that the new baseline was applied.

c) This table will form part of the report to the HPMB and relevant committee. The report would show the original baseline figure.

# 7   Standard Processes

These processes have been defined to help implement the key principles within this framework consistently across the Council.

**7.1 Requirements Specification and Benefit Mapping:**

**7.1.1** Requirements Specification is the capturing and documenting of what a project is meant to achieve or deliver. It is the key to aligning project objectives to the benefits that the business is seeking. Failure to specify requirements accurately is one of the known high risks to project success.

**7.1.2** A comprehensive Requirement Specification document requires consultation with all key stakeholders: - this can/should be achieved via benefit-mapping workshops using the [CIP Benefit toolkits](#) or via requirement workshops with stakeholders. For procurement projects a User Intelligence Group will be set up to define a procurement strategy for the project and to work up supplier selection and contract award criteria.

**7.1.3** The requirement specification process will take place at the Project Definition stage helping to inform the outline business case and forms one of the key metrics for measuring benefits accruement.

**7.1.4** The process will help understand the requirements of the Service; it will help define the scope of the project and help identify potential dependencies. The final outcome is a Requirement Specification document. A requirement specification template is available here.

**7.1.5** The Requirement Specification document must always specify a minimum viable product/outcome that will deliver the desired benefits. This can be a functional product or a quantifiable benefit like cost-saving or performance improvement.

**7.1.6** A clear link between business requirements and functional requirements must be documented as this helps validate the minimum viable product/outcome description. Functional requirements describe specific tangible functionality of a product.

**7.1.7** It is recognised that most projects require a procurement exercise so the corporate procurement team must be involved at Gateway 0. In the case of capital projects (property and infrastructure), corporate standards relating to procurement will apply.

**7.1.8** Technical requirements must be validated by Service based technical advisory groups where available.

**7.2 Development of Full Business Case/Quality Plan:**

**7.2.1** The Business Case is the business justification for a project. It demonstrates why and how the requirement specification will help us meet a business need. **No project should commence without a business case or Quality Plan in the case of infrastructure projects. Quality Plan** is a document capturing the approach to delivering an infrastructure project (scheme).

**7.2.2** Business Case/Quality Plan captures information on expected benefits/deliverables and estimate cost of delivering the benefits/deliverables.

**7.2.3** The Business Case is owned by the Project Sponsor and updated throughout the project so as to confirm the continuous viability of the project.

**7.2.4** An Outline Business Case is created at the Project Conception and Definition stage with several assumptions made. Validation of these assumptions and dependences must be completed before a full Business Case is signed off by the Project Board. For Infrastructure projects, a Quality Plan will serve the purpose of a Business Case within this framework

**7.2.5** The Business Case is reviewed at every gateway by the HPMB and its validity confirmed in line with the principle of continuous business justification. Hence a Business Case will only be deemed valid until the date of a checkpoint. This applies to Quality Plan in that it is only valid until the next design review date.

**7.2.6** A Business Case minimum dataset is provided in Appendix 5, with a link to a template.

**7.3 Project Financial Management.**

**7.3.1** Project financial management looks at the management of the financial aspects of a project. It covers the management of the project's budget and the management of the procurement of deliverables within the project.

**7.3.2** The Project Sponsor has overall responsibility for the financial management of the project and must ensure that the Council's Financial Regulation of June 2015, especially Section 25.1 is enforced/embedded within the project.

**7.3.3** The Project Sponsor must ensure that a business case has been established. This should examine all of the possibilities for meeting the Requirements Specification. In respect of projects with a value in excess of the OJEU tendering threshold, the advice referred to in Treasury or CCS Guidance, such as that relating to Options Appraisals, Joint Ventures, duty of Best Value, VFM and Project Models, must be used as appropriate. Reference should also be made to the Audit Scotland report, "Options Appraisal: are you getting it right?" (March 2014) which provides a source of guidance including good practice checklists.

**7.3.4** The Project Sponsor will provide assurance that the cost model on which financial and budgetary assumptions about the project is based has been validated. This assurance will be provided through continuous validation of the business case at every governance decision check-point. The assurance reviews will be documented, with decisions recorded, and will be undertaken by the HPMBs. For significant projects, an HPMB may consider an external independent project review to be necessary.

**7.3.5** The cost model will cover the whole life-cycle cost of a project; including the cost of project management products, staff costs, contractors/suppliers cost and opportunity cost where appropriate.

**7.3.6** Where a project is funded from an external non Highland Council fund, the Project Sponsor will ensure that the terms and conditions of such funding does not negate the principles of the Council's financial regulations.

**7.3.7** Where project funding and implementation involves "arm's length external organisations" or Community partnerships group or external grant, Section 25.3 and Section 25.4 of the Council's Financial Regulations shall take precedence over any other arrangement that the Project Sponsor have made.

**7.3.8** At mandatory decision check-points 1 and 5, the Project Sponsor will provide reports to the HPMB and to the appropriate Strategic Committee and, if appropriate, to local/area Committees, identifying the proposed source of funding for a project and the estimated cost. If the project cost is forecast to increase for more than 10% at any point, then the Project Sponsor will seek approval from the Strategic Committee to incur the increase.

## 7.4 Project Procurement

**7.4.1** The Council's Framework of Procurement Regulation is applicable to all project procurement exercises and it is as contained within Standing Orders Relating to Contracts and the related detailed instructions: "What are the Rules on Procurement?" This provides an appropriate reference to all procurement matters.

**7.4.2** Project Sponsors must ensure that Contract Procedures for Services, Goods and Works as detailed in the Council's Contract Standing Orders are adhered to. Detailed operational information is set out within the Council's Procurement Manual.

**7.4.3** Project Sponsors must ensure that all members of the Project Team and Boards have undergone Procurement Training to the appropriate levels.

**7.4.4** Project Sponsors must ensure, in line with Section 20 of the Financial Regulation 2015, before placing an order that

- The expenditure is an item or services which is within the Council's legal powers to incur

- The expenditure is within the relevant estimate provision.

**7.4.5** When applicable, the Project Sponsor as defined within this framework will assume the role of the "Project Owner" as defined within the Scottish Government Construction Procurement Manual and will ensure that relevant methodologies including but not being limited to competitive stages are initiated and corporate standards are maintained through the project life-cycle. The Service Director or the HPMB will assume the role of the Investment Decision Maker.

## 7.5 Risk Management

**7.5.1** The [Council's Risk Management Strategy](#) details the corporate approach to risk management and sets out the Council's risk management process. This strategy forms the underlying principle for the governance of project management risks within the Council.

**7.5.2** Risk can be defined as an uncertain event or set of events, which should it/they occur, will have an effect on the ability to deliver a project. This could be either a positive or negative effect. Risk Management is the activity required to identify and control the exposure to uncertainty which may impact the delivery of a project's objectives. The aim is to restrict threats to within an acceptable level (Council's "risk appetite"), and promote opportunities which will benefit the objectives of the project.

**7.5.3** Risk management is not about avoiding risk-taking but is about finding ways of managing the risks to the project to still be able to realise the benefits/objectives of the project.  Risk identification and management is the responsibility of the Project Board, often devolved to the Project Manager.

**7.5.4** A Risk Register must be maintained for a project. The Risk Register will contain all risks that may impact the project; an action plan listing the mitigation plan – actions/control measures to manage the risks effectively and a RAG status for each risk as defined in Section 5.2.

**7.5.5** The Risk Register must be reviewed regularly by the Project Board and the risk status must be reported along the Project Governance Structure. Section 5.2 - Project Status Reporting Risk RAG defines the reporting requirements and the appropriate RAG definition for Project Risk.

**7.6 Issue Management**

**7.6.1** Issues are defined as unplanned events or conditions that have already happened or are currently happening and that have impacted or are currently impacting on the objectives of the project.

**7.6.2** The management of issues requires a systematic approach to ensure that the full impact of the issue on the project is understood and managed appropriately. This approach involves capturing the issue, examining the impact of the issue, proposing a resolution and implementing the resolution.

**7.6.3** An Issue Log must be created for all projects. This Log will serve as the repository for all issues and allows issues to be tracked and responsibility assigned accordingly. The Issue Log will provide a description of the issue, what is affected, who owns the issue, resolution status of the issue and a RAG status for the issue. Section 5.2 – Project Status Reporting Issue RAG defines.

**7.6.4** The Project Sponsor will determine the priority for issues and would escalate them based on their RAG status to the HPMBs through Project Report status.

# 8 Support and Training in the use of the Framework

**8.1** To support the adoption of this framework within the Council, an online training course focusing on the application of the framework will be provided for all staff. This is a compulsory training course for all project Sponsors/Owners and anyone that is required to serve on a Project Board.

**8.2** Tailored workshop on the implementation of the framework will be available on request from the Learning and Development team. It is recommended that Project Sponsors request this workshop for new Project Boards.

**8.3** Training on the use of this framework will not prepare officers to become Project Managers, as Project Management is a recognised professional discipline. However, training on Project Management as a discipline is available through the Learning and Development team. External training is also available leading to formal qualification.

**8.4** It is the responsibility of the Project Sponsor to ensure that a suitably qualified and experienced Project Manager is appointed for their project.

**8.5**. A training matrix matching accountability to training requirement will be designed to help Project Sponsor ascertain Project Board training need. This matrix will also provide a link to Project Management resource within the Council.

**8.6** Additional support and guidance on the use of this framework is available on the staff intranet – http://www.highland.gov.uk/staffsite/site/index.php
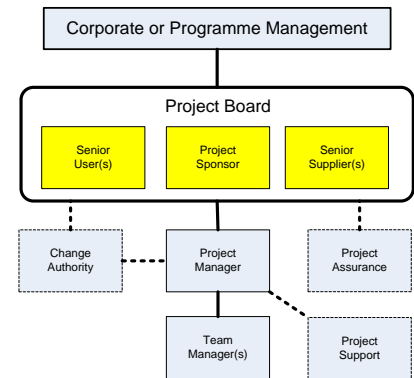
## Appendix 1 – Project Board Structure

Together, the Project Sponsor, the Senior User(s) and the Senior Supplier(s) make up the Project Board. The Project Board has authority and responsibility for the project within the instructions set by corporate or programme management.

A good Project Board should display four key characteristics:

**Authority**: The members of the Project Board should be senior enough within the corporate organisation to make strategic decisions about the project. As the Project Board is accountable for the project, the individuals chosen must have sufficient authority to make these decisions and provide resources to the project, such as personnel, cash and equipment. The managerial level required to fill the roles will depend on factors such as the budget, scope and importance of the project.

**Credibility**: The credibility of the Project Board members within the corporate organisation will affect their ability to direct the project.



**Ability to delegate:** A key part of the Project Board's role is to ensure that the Project Manager is given enough space to manage the project by keeping Project Board activity at the right level. Project Board members should not be involved in the detail of how the project is managed, nor in the specialist content of the project.

**Availability:** Project Board members who meet all the above characteristics are of little value to the project if they are not available to make decisions and provide direction to the Project Manager.
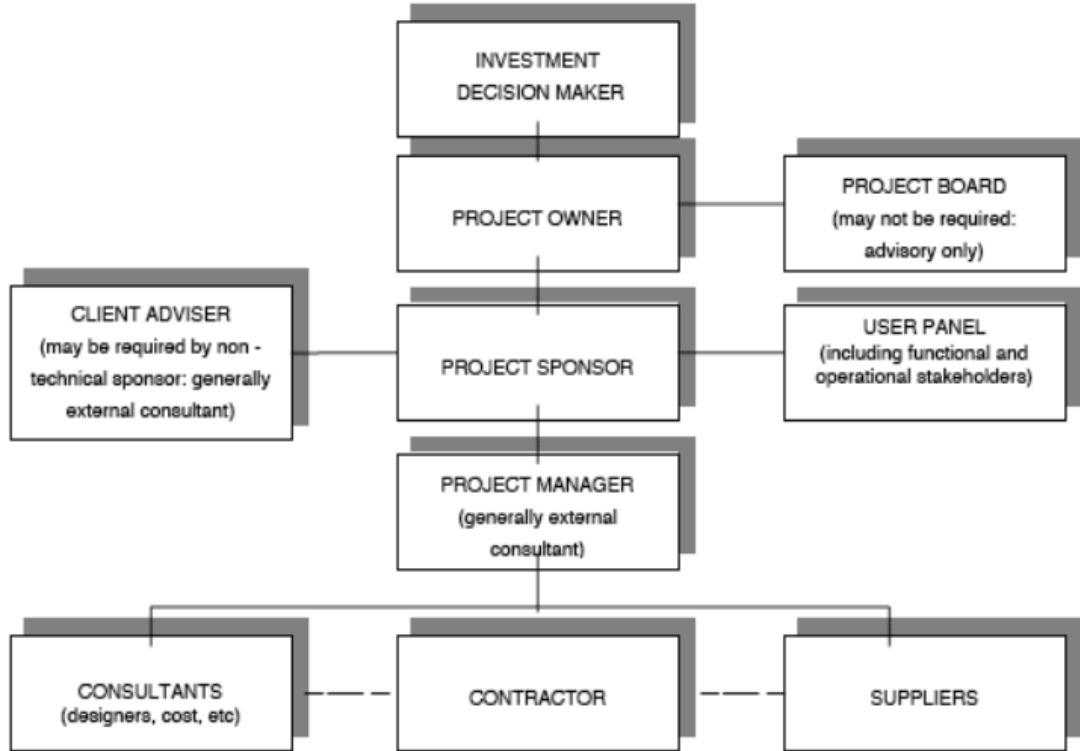
Project Board members are often from senior management positions, and their Project Board responsibilities will be in addition to their normal responsibilities. The concept of management by exception allows the Project Manager to keep them regularly informed of project progress but only requires decision-making at key points in the project.

The frequency and detail of communication required by the Project Board during a project will be documented at project-level. Project Board members may require more detailed or less frequent information at the start of the project. As the project progresses and the Project Board become more comfortable with the progress being achieved, the requirement for frequent or detailed Highlight Reports may reduce. It is important to review the level and frequency of reporting for each stage of the project.

**Appendix 2 – Scottish Government Construction Procurement Manual – Project Team**

All major works projects should have an <u>investment decision maker</u>, <u>project owner</u> and <u>project sponsor</u>. This section explains their roles and responsibilities, along with those of the <u>project manager</u> and <u>client adviser</u>, and sets out the abilities and training they require, and their relationship to one another (Figure 1, below).

**Figure 1: Project team organisation**

## Appendix 3 – Project

| Project Sponsor Check List: Gateway 0 - Conception | |
|---|---|
| **Considerations** | **Yes/No** |
| Does this project contribute to wider Council and public sector strategies, within and outside the Council? | |
| Is the **Outline Business Case** and/or **Quality Plan** complete and robust – does it meet the needs of the business, is it affordable and achievable, will it deliver value for money? | |
| Are the scope, scale and requirements realistic, clear and unambiguous? | |
| Do we have internal/external authority and stakeholder support for the project? | |
| Have the critical success factors and desired benefits been identified and agreed with stakeholders? | |
| Have we explored a sufficiently wide range of options to meet the business need and identified a preferred way forward? | |
| Have we identified major risks, and do we have outline risk management plans? | |
| Can we confirm our planning assumptions, and are there plans, for the project in place for the next stage? | |
| Is there a clearly defined and agreed project management structure, with key roles and responsibilities identified? | |

| Project Sponsor Check List: Gateway 1  - Definition | |
|---|---|
| **Considerations** | **Yes/No** |
| Is the **Outline Business Case** and/or **Quality Plan** complete and robust, and does it still meet the business need? | |
| Are the requirements clear and unambiguous, and are they aligned with the programme to which the project contributes? | |
| Have we explored all relevant options for delivery of the requirement? | |
| Is the **Project Plan**, through to completion, sufficiently detailed and realistic? | |
| Do we have the right skills, capabilities and management expertise to ensure success? | |
| Do we have enough commercial expertise to understand the supplier market capability and track record? | |
| Do we have adequate risk and issue management plans and procedures? | |

| Project Sponsor Check List: Gateway 2 - Planning and Initiation | |
|---|---|
| **Considerations** | **Yes/No** |
| Can we confirm the **Full Business Case** and **Benefits Realisation Plan,** or the **Quality Plan** (for infrastructure projects), now that we have relevant information from prospective suppliers? | |
| Are the objectives of the project still aligned with those of its programme and wider organisational and public sector strategies? | |
| Is the recommended decision on delivery approach likely to deliver what we need on time and within budget, and will it provide value for money? | |
| For procurements: Have we followed the agreed procurement strategy, and have we met all statutory and procedural requirements? | |
| Do we have sound plans for managing implementation, risk and change, and are they agreed across the supply chain? | |
| Do we have continuing stakeholder support for the project? | |
| Have we addressed the technical implications, such as "buildability" for construction projects, and information assurance for IT-enabled projects? | |
| Do we have the expertise and resources to manage the supplier relationship, and are appropriate management controls in place? | |
| Have we agreed draft contracts and/or Service Level Agreements? | |

| Project Sponsor Check List: Gateway 3 - Delivery | |
|---|---|
| **Considerations** | **Yes/No** |
| Is the **Full Business Case** or **Quality Plan** still valid and unaffected by internal or external events or changes? | |
| Can we confirm that the **Benefits Realisation Plan/Quality Plan** is likely to be achieved? | |
| Are commercial/legal arrangements with the supplier up-to-date? | |
| Can we confirm that our plans for managing implementation, roll-out and operation are achievable and that we have the resources we need? | |

| | |
|---|---|
| Are management controls in place to manage the project through to operation? | |
| Do we have shared plans for managing risk, with contingency and business continuity plans in place? | |
| Has full user and system testing and/or commissioning been done to our satisfaction so that we can approve full implementation and roll-out? | |
| Is the business ready to implement the business change, with the necessary resources in place? | |
| Do we have client-side plans for managing the working relationship, including contract management, reciprocated on the supplier side? | |
| Are lessons for future projects being identified and recorded? | |

| Project Sponsor Check List: Gateway 4 and 5 - Closure and Post Project review ||
|---|---|
| Considerations | Yes/No |
| Was the **Business Case** justification for the project at Gateway Review 3 realistic, and are the expected benefits actually being delivered? For infrastructure projects – was the **Quality Plan** realistic. | |
| Have we done a post-implementation review or equivalent review of business benefits? | |
| Do we have the resources in place to manage the contract/SLA successfully and with continuity of key personnel? | |
| If we have made agreed changes, can we be sure that they do not compromise any requirements of the procurement approach adopted (e.g. change of scope)? | |
| Is there still a business need for this contract/SLA? If circumstances have changed, are the service delivery approach and contract adapting to the new situation? | |
| Are we actively seeking to improve value for money and performance? | |
| Are we ready for the future, with plans for future service provision? | |
| | |

| | |
|---|---|
| Are we managing the working relationship effectively, with the right 'intelligent customer' skills? | |
| Are the exit strategy and arrangements for re-procurement still appropriate? | |
| Are we actively learning from experience and setting maturity targets? | |

# Appendix 4

# Score Card Sample

| Category | Description | Risk Perception | Score | |
|---|---|---|---|---|
| | **The Highland Council**<br>**Project Management Framework Policy**<br>**Pre Project Scorecard**<br>**Version 1 - 2015** | | | |
| | The completion of this Scorecard is a mandatory requirement under the Highland Council's Project Management Governance Policy.<br>It allows the project definition criteria within Section 1.5 of the policy to be applied consistently across the Council. | | | |
| | The Scorecard is divided into 4 sections - with each section addressing the impacts of the proposed change/project on the Council.<br>An aggregated score is then used to determine if the project requires the full governance requirement under the policy. | | | |
| | Please note that it is expected that all projects are managed proficiently regardless of the Scorecard result and that the Scorecard is not a reason for insufficient governance of change initiatives. | | | |
| **Category** | **Description** | **Risk Perception** | **Score** | |
| Strategic | Is this change a pre-requisite for delivering a Corporate, Service or Capital Programme plan? | Yes | 5 | |
| | To what extent is the change a requisite for the delivery of legislative requirement or policy initiative or external audit requirement? | Not linked | 0 | |
| Complexity | Is engagement with the public/community required to determine the scope of this change or to deliver any aspect of the change? | Yes | 5 | |
| | Is engagement with external partners organisation required for this change? This include the NHS, the Police or other Government | Yes | 5 | |
| | What is the scale of the impact of this change to staff within the Council. Is it limited to a Service? Or does it affect multiple Services? | Department | 1 | |
| | What is the likely scale of the complexity of this change in terms of its uniqueness, technical innovation, duration or contractual arrangements? | Low | 1 | |
| Sensitivity - Political and Reputational | To what extent would problems with this change's delivery have a negative impact on the Council's reputation? | No Impact | 1 | |
| | What is the scale of the impact of this change on public services? | Small Change | 1 | |
| | Is there any political element to the implementation of this change? | Yes | 5 | |
| Cost and Procurement | What are the estimated overall cost of delivering this change in terms of resources, equipment and premises? | Less than £50K | 3 | |
| | Can the change be delivered through a framework agreement? | Yes | 5 | |
| | What is the likely route to be followed for procurement? | Normal Tender | 3 | |
| | | Total Weighted Score | 70 | |
| | SMALL IMPACT - (20-29%) No project board required; change can be implemented as BAU | | | |
| | MEDIUM IMPACT - (30 -49%) - Change should be implemented as a PROJECT but with limited governance. Typically a 2 man project board | | | |
| | MAJOR IMPACT - (50% +) - Change must be implemented as a project with full project governance in place | | | |

# Appendix 5

## Requirement Specification and Benefit Mapping Tool/Template

- Benefit Mapping Tool - http://www.highland.gov.uk/staffsite/info/2/corporate_improvement_programme/4/corporate_improvement
- Template under draft

## Appendix 6

## Business Case

A.  Template available here

B.  Content of a Full Business Case

    1.    **Business Case**
        1.1.    Executive Summary
        1.2.    Reasons behind the project
        1.3.    Business Options
            1.3.1.  Selected option
        1.4.    Expected Benefits
            1.4.1.  <benefit 1>
        1.5.    Timescale
        1.6.    Finances
            1.6.1.  Costs
            1.6.2.  Funding
        1.7.    Investment Appraisal
        1.8.    Expected Dis-benefits
        1.9.    Major Risks

    2.    **Benefits Review Plan**
        2.1.    Cashable Benefits
            2.1.1.  <cashable benefit 1>
        2.2.    Non-Cashable Benefits
            2.2.1.  <non-cashable benefit 1>
        2.3.    Facilitated Benefits  11
            2.3.1.  <facilitated benefit 1>
        2.4.    Reviewing Performance