

# PROJECT BOARDS

An investigation into the operation of project boards in  
North Hertfordshire District Council

15<sup>th</sup> September 2011

Report of the Overview and Scrutiny Committee  
Task and Finish Group on Project Boards

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## **1. Purpose of Report**

1.1 This is the report of the Overview and Scrutiny Committee Task and Finish Group on Project Boards. Its purpose was to:

- understand the arrangements and rationale for project boards in NHDC;
- review the effectiveness and consistency of their processes from conception to the establishment of project boards;
- review performance and progress reporting arrangements;
- suggest improvements where necessary.

1.2 The scoping document is attached at Appendix 1. The papers issued to members prior to the meeting and a full record of the evidence given to the task and finish group can be found at: [http://www.north-herts.gov.uk/index/council\\_and\\_democracy/democracy/council\\_and\\_committee\\_meetings/scrutiny\\_committee1.htm](http://www.north-herts.gov.uk/index/council_and_democracy/democracy/council_and_committee_meetings/scrutiny_committee1.htm)

## **2. Recommendations**

2.1 Communication from project boards with members and outside stakeholders should be improved by following the Council's project management protocol on communications. The project manager should discuss with stakeholders their communication needs and act accordingly.

2.2 Two types of project were recognised – those which are internal to NHDC in terms of their lack of obvious direct effect on service users, and those which are public facing and focus on issues of interest or concern to service users. For the internal type of project, the current composition of project boards is acceptable. However, for public facing projects, the terms of reference and composition of project boards should have greater member and stakeholder involvement, for example with area specific projects the project board should include a local member as well as the relevant portfolio holder.

2.3 Decisions from project board meetings and updates on project milestones should be recorded and made accessible to members through the members' information service (MIS).

2.4 There should be better scrutiny of project boards and of the setting up and outcomes of significant projects. Exception reports should be sent to the Overview and Scrutiny Committee on general projects; and to area committees on area specific projects. Dates of scheduled meetings of project boards should be published so members can monitor progress more easily.

2.5 The project assurance officer should have a more active role and input to the project board so that project risks and issues about progress are highlighted and dealt with in a timely manner.

2.6 There should be a debriefing session at the end of each project so that any lessons to be learnt can be identified. These should be recorded in the project closure report; and all the lessons from projects to date should be collated into a single document and actively shared corporately.

2.7 Project boards in NHDC are advisory bodies only and they should be re-named so their role is clear to members and the public. We suggest they be re-named project advisory boards.

2.8 The gap in members' understanding of project boards should be addressed through an information note in MIS; and by including the topic in the new members' induction programme.

### **3. Background and Summary of Key Evidence**

3.1 Projects boards in NHDC usually support highly visible, costly or important projects which affect the public directly, or change how the Council works in far reaching ways. The task and finish group examined the framework for project boards in NHDC, and looked at three project boards in detail. This section summarises the evidence given to the group which forms the basis for its findings and recommendations.

3.2 A more detailed account of the evidence given to the task and finish group can be found at

[http://www.north-herts.gov.uk/index/council\\_and\\_democracy/democracy/council\\_and\\_committee\\_meetings/scrutiny\\_committee1.htm](http://www.north-herts.gov.uk/index/council_and_democracy/democracy/council_and_committee_meetings/scrutiny_committee1.htm)

#### Corporate Approach to Project Boards in NHDC

3.3 Projects in NHDC are triggered by a decision of Cabinet or Council. A project board may be required because of financial regulations or for reasons of complexity, importance, public profile or other considerations. The project executive is appointed by CMT (the Corporate Management Team) and is responsible for the success of the project. He or she is the key decision maker and is given delegated authority to carry out the project. The project board has an advisory role only, and gives advice to the project executive.

3.4 Its membership is chosen by the project executive in conjunction with the Leader of the Council, taking into account the skills and experience that will benefit the project. Members of project boards are characterised as users or suppliers. Users are individuals with an interest in the outcome of the project, typically portfolio holders with a responsibility for the project, a local member, an important local interest group; suppliers are typically officers involved in delivering the project and consultants with specialist skills and knowledge. Membership usually includes appropriate cabinet members for reasons of political accountability.

3.5 There are two types of project – those which were concerned with internal NHDC structures, processes and technology; and those which are public facing and focus on issues of interest or concern to service users.

3.6 A project management toolkit based on the project management guidelines of PRINCE 2 (projects in a controlled environment) is available on the intranet to assist officers responsible for carrying out projects. The degree of project management applied to each project is proportionate to its size and complexity.

3.7 The Chief Executive, John Campbell considered the project process worked fairly well, and noted that project management was more embedded in NHDC than in many other Hertfordshire authorities. Its flexibility was important as not all the elements of project management were needed, so scarce resources were not wasted on unnecessary processes. Some timetables had slipped but he could not think of any projects that had failed to deliver. Project boards helped the council and the project executive to deliver projects. As the chief executive, he was always involved

in the establishment of projects as he was ultimately responsible for all staff in the council.

3.8 Resources were a concern: the council had more things to do with fewer resources, and this couldn't go on indefinitely. In future, the Council might have to carry out fewer projects, using as much or as little of the PRINCE 2 framework as was needed. The Strategic Director of Customer Services, John Robinson said the council's capacity to manage multiple projects was strained, particularly as some projects were approaching critical points in their life cycles. It was therefore imperative that the council found ways to improve capacity. This might include more specialist staff such as project assurance officers, project librarians, project support officers and project teams, with an emphasis on a more corporate approach, less dominated by the need to follow set criteria.

3.9 The Leader of the Council, Cllr Lynda Needham said there were many strengths to the current system: it was well embedded and familiar to officers and members alike. The project boards were well structured and it was positive that the project executive was always a director. The officers were of high quality, and reports were always prepared on time. The boards were not burdened with the bureaucracy of committees and working parties; and membership was pared to essentials which meant that officers did not spend lots of time answering lots of questions.

#### Project Boards in other Hertfordshire Authorities

3.10 Other Hertfordshire authorities had a variety of arrangements for managing projects, but direct comparisons were problematic as it was not always clear whether an activity was a review, a form of scrutiny, a member officer working group, a project board or some other arrangement. Some groups had a preponderance of members, some of officers. Some groups took decisions, others only made recommendations. While not identical to NHDC's project boards, they had varying elements of member involvement, reporting structures, accountability, degrees of project management and so on. In general, NHDC's project management approach was among the most advanced. Members were concerned about the mismatch between the levels of project management in NHDC compared to other authorities, particularly in view of the trend towards greater sharing of services.

#### The Operation of Project Boards

3.11 Project boards were consultative and advisory bodies only and had no executive function. They met at the initiative of the project executive to provide him or her with advice and act as a sounding board for issues. In most cases the project executive chaired the project board, although the Leader of the Council did so in the case of the Churchgate Project Board.

3.12 The frequency of meetings varied. The waste project board met very regularly, in part due to Hertfordshire County Council setting targets and scheduling a number of meetings in advance which the district councils had to attend. The Churchgate project board currently met every 8-10 weeks, and this was expected to increase as the project moved to implementation in 2014/15. The Organisational Development Project Board had met 3-4 times a year, and not at all since June 2010. The Hitchin Town Hall / Museum Project Board was mostly concerned with internal processes at the moment and lately the board had not met very frequently; and it had not met for some time before the announcement of the district-wide museum.

3.13 The leader said it was not always necessary to call a meeting of the project board if there were problems or issues, nor would she influence the project executive to do so. Issues had to be saved up for the scheduled meetings of the project board.

However as portfolio holder and Leader of the Council, she had approached officers directly about issues and was in regular touch with the project executive.

3.14 Members considered that project boards were essentially reactive and advisory bodies. It was likely that the public perception of project boards was that they were decision making bodies which oversaw the running of projects and had more significance than they really had. It might be helpful to rename them to eliminate this misapprehension.

#### Membership

3.15 Membership was decided by the project executive in conjunction with the leader and was discussed with the portfolio holder and the project manager. Membership usually included appropriate cabinet members because of the need for political accountability. The project board was not meant to be a democratic structure but was designed to ensure delivery of the project. Cllr Needham said that only the Fish Hill project had been established in her time as leader and that she had no input into its membership and had not seen its draft terms of reference. Establishment of the other project boards pre-dated her appointment as leader.

3.16 John Robinson said the executive had the final say on membership of project boards and had decided that the Hitchin Town Hall / Museum Project Board should not include the Chair of Hitchin Area Committee. Decisions on membership of project boards had rarely been contentious. Once the HTH project became a construction contract which the Council would manage, the project board's membership might change to reflect the changed nature of the project. The project board also provided advice and authorisation which had been helpful to the project executive, although it had not changed his actions.

3.17 The chief executive said it was sensible to have member involvement in sensitive, high profile external projects such as the Churchgate development, but not so important in internal projects. Some topics, like the restructuring of the council and the office accommodation project should not be discussed in a public forum. It would be unhelpful if members argued on project boards. The Council had taken a decision to move forward on a particular issue and it was desirable for everyone involved to focus on delivering the project. Having firm membership rules would add unnecessary constraints.

3.18 Members queried how such an approach might look to the local community; and wondered about the consistency of appointments. They asked whether widening membership would provide a further challenge to officers as well as representing wider community interest. The leader said that the benefits of greater member involvement needed to be balanced against the danger of creating mini committees with all the bureaucracy and disagreements which often accompanied them. It would be better for project boards to contain only those people necessary for its implementation.

#### Project Assurance

3.19 The Project Board is responsible for project assurance, and each project is supposed to have a project assurance officer to ensure the project is running correctly. John Robinson said the project assurance officer had recently identified that a proposed project plan was not consistent with procedural rules and this had provoked a discussion on amending the proposed timetable. Normally such concerns would be raised with the team leader, and then with the project executive, although more significant issues could be taken to the project board meeting. The Performance, Audit and Review Committee (PARC) had acted as project assurance

officer for the Organisational Development Project Board and had made a number of helpful suggestions.

3.20 John Robinson confirmed he could not recall any specific advice that the project assurance officer had given to him about Hitchin Town Hall / Museum, but it was likely that there had been some. The problems with using the shortcut to appoint the supervising architect had been identified by the project manager.

#### Communication and Visibility

3.21 John Robinson said a project's communication strategy depended on the project and the circumstances. For example a focused, targeted publicity campaign was planned for a year or two's time ahead of the introduction of any changes to waste management contract. However the council's aim was to deliver the project, and communication issues were of lower importance. John Robinson said too inclusive a communications strategy might encourage lobbying by members which could destabilise projects.

3.22 Due to its profile, Hitchin Town Hall / Museum had a more inclusive communications strategy. Publicity was targeted at the principle stakeholders and existing users as well as the broader public. Publicity was through press releases and communication with members through MIS notes produced as necessary. There were also reports to Hitchin Area Committee.

3.23 Minutes of the Churchgate project board were always produced and held as part of the project documentation maintained by the project manager or project librarian; but they were not available to ordinary members of the council.

3.24 Members noted that the unexpected drainage problem which had delayed the Howard Park and Gardens project was unknown to most of them and to the wider community until discussions about it surfaced in the press.

3.25 The leader acknowledged that communication was an area that could be improved by cascading information better, although she noted that some boards like Churchgate had an agenda item dedicated to communications and the board always discussed which items which could be circulated through the members' information service (MIS). She considered that the outcome of project boards should go into MIS where possible, particularly if it was something significant, so all 49 members could see what has happened.

3.26 John Robinson said that the Council was committed to publishing all project board minutes on the internet. There were difficulties however in publishing records of other background discussions since the papers would have to be redacted and there was a danger the publicity could de-stabilise the project.

#### Monitoring and Accountability

3.27 The project board monitored performance through project reports which provide updates on the components of the project. The board would receive risk logs to confirm if existing risks were still extant, and consider whether new ones should be added. The same process would apply to the project's issue log.

3.28 CMT regularly discussed issues brought by the project executives along with the progress of the project more generally, and they were also discussed in one-to-one meetings between the chief executive and his directors.

3.29 Officers considered that project boards were designed to help deliver projects as effectively and efficiently as possible. The portfolio holder provided political accountability and officers were accountable via the portfolio holder. A project's progress was monitored through the corporate plan implementation plan. Discussions took place and decisions were made at meetings of the Council which the public was able to attend. There was a danger that publicity about sensitive projects could stir up public opinion in an unhelpful way. It would be better if queries were handled through Cabinet or Council. Members considered it would be difficult to raise queries if they were unsighted about the timing and content of meetings and the state of progress; and suggested that public opinion had contributed positively to changing the original, unpopular Hitchin Town Hall / Museum proposal into the current one which had more public and councillor support.

3.30 Project milestones that are connected to council priorities were shown on Covalent; and some would have been reported to PARC in the past. Members asked how members could access information on developments which were not part of the Council's priorities such as the regeneration of Ivel Court and Westmill. The Strategic Director of Finance, Policy and Governance, Norma Atlay said the Corporate Plan was the council's main strategic document, and information about these developments would be documented in individual service plans which underpinned the Corporate Plan; and may have been reported to PARC in the past.

3.31 John Robinson said that the reporting and monitoring arrangements to PARC had produced a heavy workload for officers. In future, it would be better to set higher level objectives, and perhaps report to a scrutiny committee by exception only. The chief executive agreed that the extra work generated by members' requests was unhelpful. People needed to focus on delivery: increased monitoring and reporting meant slower delivery.

3.32 The group considered that for backbench members there was little visibility of some projects' problems and progress, and lack of awareness of the milestones associated with them. Projects needed a stronger element of member scrutiny. Presently reports on the progress of projects went to Cabinet or Council, which were not scrutinising bodies.

3.33 Norma Atlay said that If members had concerns they should contact members of the project board, but the group said it would be difficult to raise such concerns without knowing the dates of the project board meetings. Members considered that publication of scheduled dates would give members comfort that the project boards were meeting and that the project was progressing. Norma said the dates were not a constraint since any concerns would still be raised at the next project board meeting.

#### Financial Aspects

3.34 For the Howard Park and Gardens Project, John Robinson confirmed the project manager and project executive would have needed to check the project's capital budget in the capital programme and get the Asset Management Group's approval prior to implementation. On budget management, he explained that if a project looks likely to exceed its budget (beyond the 10% variation which is allowed), changes would be subject to the existing financial regulations. The leader confirmed that money for the Churchgate project had been approved by way of a decision of Council.

#### Lessons Learned

3.35 A project closure report is produced at the end of each project so that lessons can be learned. The chief executive said there was no system at the moment for

collating lessons learned, although there was an intention to develop a corporate lessons learned log and such a list, perhaps gleaned from the project closure reports, would be helpful.

#### **4. Discussion of Evidence and Conclusions**

4.1 Members heard that project boards are advisory bodies only. They do not take decisions. This is the role of the project executive who is charged by Council or Cabinet with delivery of the project. Project boards do not generally have timetabled meetings. Instead they are convened by the project executive when s/he considers it necessary. The group considered that many councillors would be unaware of the limited role and responsibilities of project boards and concluded this should be remedied.

4.2 There are no formal arrangements for democratic accountability of the project executive; and the challenge provided to the project executive appears to be variable and inconsistent. While there is scope for a dedicated and well informed board member to approach the project executive about issues, the irregular nature of project board meetings can leave board members - and the Council - unsighted on progress and problems. This should be addressed through better scrutiny arrangements.

4.3 There are two sorts of project boards in NHDC and it is logical that they should be treated differently:

- Those concerned with internal structures and processes which are likely to be of little interest to the public;
- Those associated with issues of interest and concern to the public which need greater local member and stakeholder involvement, and greater visibility.

4.4 This is little need for members to sit on internal project boards, but there should be some member oversight of progress on such projects which would be most appropriate through the Overview and Scrutiny Committee.

4.5 Local member representation is more important on the boards of public facing projects. Members welcomed the involvement of local members on some projects boards, and considered that such representation should be the norm. Oversight of progress in the case of an area specific project should be through the area committee.

4.6 It was clear from officers' evidence that the project executive's main priority is delivery of the project rather than reporting on its progress. This is absolutely right. But officers' anxiety that releasing information might destabilise the project's progress means that communication arrangements are variable. In some cases such as the Hitchin Town Hall and district museum project, communication with members and the public has been extensive. In other cases, such as Howard Park and Gardens, it has been erratic.

4.7 The Council's guidelines on project management includes a protocol for communications which obliges the project manager to discuss with all identified stakeholders their communication needs, and agree the content, frequency and method of communication. A communications strategy should be an important part of every project plan. It would be useful for local members to be able to access decisions from project board meetings, along with updates on project milestones.



4.8 Project assurance arrangements appear to have little impact at the moment. The project assurance officer should be more actively involved in assessing future difficulties so the project moves ahead effectively.

4.9 Each project concludes with a project closure report assessing whether there are any lessons to be learnt. This is a useful exercise. We agree with the chief executive that it would be useful if these could be combined into a single document which was available corporately.

4.10 Project management arrangements in nearby authorities are variable. North Hertfordshire is one of the most advanced in its use of project management techniques.

4.11 NHDC has a flexible approach to PRINCE 2, choosing those elements which will help expedite the project without burdening itself with the constraints of PRINCE 2's bureaucracy. We think this is a sensible approach.

4.12 Project executives all appear to be at director level or above. This can place a heavy burden on senior staff who have many other responsibilities, as well as leaving little room for escalation of issues. It may also constrain the development of staff at lower levels. Some flexibility in these arrangements might prove useful; and it is important that when project managers and project assurance officers are appointed they have sufficient authority, time, knowledge and skills to provide support for heavily loaded project executives.

4.13 The task and finish group raised and discussed a number of financial aspects of project boards, for example the Council's capital commitments and project budget management in relation to financial risks. However the group considered it had not gained a coherent feel for how project boards themselves (as distinct from their officers) got involved in financial matters nor how involved the project assurance officer was in these.

**North Hertfordshire District Council**  
**THE COUNCIL'S APPROACH TO PROJECT BOARDS**  
**Overview and Scrutiny Task and Finish Group**

Terms of reference

To understand the arrangements and rationale for project boards at NHDC,  
To review the effectiveness and consistency of project board processes from conception to the establishment of project boards  
To review performance/progress reporting arrangements  
To suggest improvements where necessary.

Expected Outcomes

A clear assessment of the effectiveness of NHDC's project board arrangements  
A clear understanding of project board protocols  
Recommendations for improvements, if needed

Timeframe

One day - September 2011

Link with Council Priorities

Key process which underpins the Council's core business

Potential witnesses

Head of Finance, Performance and Asset Management, three project executives/leads  
Leader of the Council  
Chief Executive  
Representative from another Hertfordshire local authority

Key Questions

Does the Council have a robust process for the establishment and operation of its project boards?  
How are projects monitored and their performance reported?  
How are variations in risks, costs and timescale communicated to managers, councillors and the public?  
What improvements are needed, if any.

Information documents

Briefing note on existing protocols for project management and project board establishment, structure and procedures - maximum length 4 sides of A4.

Membership

Cllr David Billing (Chairman)  
Cllr Paul Marment  
Cllr Lawrence Oliver  
Cllr Michael Paterson  
Cllr Raymond Shakespeare-Smith

Portfolio Holder - overall corporate approach, the Leader of the Council

Lead Officer - Strategic Director of Finance, Policy and Governance

Support Officer - Brendan Sullivan, Scrutiny Officer