

AGENDA ITEM: 9

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| Meeting | Audit Committee |
| Date | 21 September 2010 |
| Subject | One Barnet: Review of Governance Arrangements |
| Report of | Assistant Director, Commercial Services |
| Summary | To consider the report of the External Auditors on the above and the response of Commercial Services to the report |

| | |
|--|---|
| Officer Contributors | Julie Oldale, Assistant Director Commercial Services Claire Johnston, One Barnet Programme Manager |
| Status (public or exempt) | Public |
| Wards affected | Not applicable |
| Enclosures | Appendix – Report on One Barnet: Review of Governance |
| For decision by | Audit Committee |
| Function of | |
| Reason for urgency / exemption from call-in (if appropriate) | Not applicable |

Contact for further information: Claire Johnston, One Barnet Programme Manager, 020 8359 7022

1. RECOMMENDATIONS

- 1.1 That the report of the External Auditors and the Council's Action Plan in response to their findings be noted.**
- 1.2 That the One Barnet Programme Manager report back to future meetings of this Committee on progress against the Action Plan.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Audit Committee, 11 March 2010, Item 8 (AUDIT PLAN 2009/10 (Report of the Interim Assistant Director of Finance))
- 2.2 Cabinet, 21 October 2009, Decision 8, Future Shape of the Council

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The three priority outcomes set out in the 2010/13 Corporate Plan are:
 - Better services with less money
 - Sharing opportunities, sharing responsibilities
 - A successful London suburb
- 3.2 The One Barnet Programme has three overarching aims:
 - A new relationship with citizens
 - A one public sector approach
 - A relentless drive for efficiency
- 3.3 The following are strategic objective and performance targets that fall within the remit of Corporate Governance Directorate:
 - Improve council policy and decision making through greater involvement by non-executive members

4. RISK MANAGEMENT ISSUES

- 4.1 All External Audit activity is directed toward giving assurance about risk management within the areas examined. By so doing the aim is to help maximise the achievement of the Council's objectives.
- 4.2 Internal Audit work contributes significantly to increasing awareness and understanding of risk and controls amongst managers and thus, leads to improving management processes for securing more effective risk management
- 4.3 An ineffectively managed One Barnet Programme would be likely to result in failure to realise the overarching aims of the programme (see 3.3) or the potential efficiencies and benefits identified in the Future Shape of the Council Cabinet paper (21 October 2009). The External Auditor has identified areas for improvement and the response to their report in Appendix B sets out the planned mitigating actions which will reduce the risk of failure

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 It is an overriding principle that services provided to the whole community represent value for money in terms of quality, efficiency and effectiveness.

This supports the Council's obligations in meeting public duties under equalities legislation

- 5.2 Effective systems of audit, internal control and corporate governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 None directly as a result of this Report.

- 6.2 Resource implications will be considered as part of delivering the recommended outputs, for example, the business case and benefits realisation plan.

7. LEGAL ISSUES

- 7.1 None in the context of this report.

8. CONSTITUTIONAL POWERS

- 8.1 The Audit Committee's terms of reference are noted in Part 3, Section 4 of the Council's Constitution includes to monitor the effective development and operation of risk management and corporate governance in the Council.

9 BACKGROUND INFORMATION

- 9.1 The review of the One Barnet Programme by Grant Thornton was to be undertaken as part of the 2009/10 Use of Resources (UoR) framework. By the conclusion of the review the requirement for a UoR assessment had been abolished, but emerging findings have been used to inform the indicative UoR score for the Council.

- 9.2 Key findings show that the programme is strongly aligned to the council's corporate objectives and that the governance is generally robust. Attached at Appendix A is the External Auditor's report, detailing the findings and their six recommendations.

- 9.3 The programme supported the premise of the review and management comments are included in the body of the report.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

Legal: MAM
Finance: CM

London Borough of Barnet

Review of the Governance Arrangements of the One Barnet Programme

Value for Money Review 2009/10

September 2010

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1 Executive Summary

1.1 Background

The London Borough of Barnet ("the Council") commenced the Future Shape of the Council Programme in May 2008 to meet a number of significant challenges it was facing, such as increasing customer demand, having to provide more services for less money, static public satisfaction levels, and intractable problems such as disadvantage where public expenditure seemed to have little effect.

An interim report on Phase 2 of the programme was presented to Cabinet in July 2009, which set out a new direction for the Council and agreed a programme of activity under three key principles:

- a one public sector approach
- a relentless drive for efficiency
- a new relationship with citizens

The final report of Phase 2 of the programme was presented to Cabinet in October 2009. The philosophy and principles of the Future Shape programme have subsequently been incorporated into the One Barnet programme, which was established in February 2010. A Programme Management Office was established in March 2010 to oversee the delivery of the programme, and to establish the management and governance arrangements for the programme.

The One Barnet programme represents a significant financial and service undertaking for the Council and it is important that the Council is able to demonstrate the wider value for money and benefits that this programme will realise.

1.2 Scope of our work

Our original terms of reference was for this review to be undertaken as part of the 2009/10 Use of Resources (UoR) framework. However, prior to its conclusion the new Coalition Government abolished the Comprehensive Area Assessment (CAA), which included the requirement for a UoR assessment.

Notwithstanding this, we used the emerging findings from this review to inform our indicative UoR score for the Council, prior to the cessation of UoR audit related activity.

In addition, because the fieldwork and analysis relating to this review was completed by the time of the new Government's announcement on the future of UoR, we have concluded the reporting stage of this work as part of the 2009/10 Value for Money (VFM) Code of Audit Practice work ("the Code"). The Code allows auditors to

undertake separate pieces of audit work that would feed into our overall VFM conclusion.

The scope of our work was as follows:

- To review how the One Barnet programme supports the achievement of the Council's priorities;
- To review the current programme management and governance arrangements against best practice to identify any gaps and issues;
- To review project management arrangements in place for live projects; and
- To review the Council's approach to risk management in relation to the programme

The primary purpose of our review has been to identify any gaps between current governance arrangements and best practice. We have used throughout OGC's Managing Successful Programmes (MSP) as the basis of best practice comparison.

1.3 Key Findings

Context

It is clear that the Council has invested significant resource in developing its strategy for the future shape of the authority, and how it delivers services. This investment is critical to delivering this new and innovative agenda. Unsurprisingly, given the investment in the Future Shape programme, our review has found that the One Barnet programme is strongly aligned to the Council's corporate objectives.

We recognise that the One Barnet programme only moved to the operational phase in February 2010. Nonetheless, this review is being undertaken at an appropriate juncture to determine the effectiveness of what we would expect to have been completed at this stage of the programme's life cycle.

The approach taken by the Council in relation to programme management and programme governance is generally robust, but we have identified a number of opportunities where the Council can improve or enhance current arrangements. Central to our recommendations is the need for the Council to ensure that the One Barnet programme successfully delivers the Future Shape outcomes that have been identified.

Programme Management and Governance Arrangements

Whilst Future Shape has provided a set of clear principles for the One Barnet programme, the Council needs to develop and agree a more fundamental mandate for the programme by developing a programme level business case that sets out the planned costs, benefits, timescales, risks and outcomes of the programme.

There are a number of programme documents, such as a programme resource strategy, programme quality strategy, transition plan, and stakeholder engagement strategy which should be developed to ensure that the Council has the capacity to deliver the programme whilst maintaining business as usual, it is clear about how stakeholders need to be engaged, and how performance improvement will be managed.

One Barnet is a key programme for the Council to realise its corporate objectives, which includes providing better services for less money, and it is critical that the programme develops and agrees a Benefits Realisation Framework, so that benefits are clearly identified, accountability for realising them is understood, and that their achievement is effectively

tracked and recorded. In addition it is critical that there is an alignment between the programme's benefits, the programme's vision and its desired outcomes.

Project Management Arrangements

Project Management is generally in line with good practice. The programme would be improved by developing and maintaining a high level programme plan to support the programme level monitoring of projects. The programme would also benefit from a clearer understanding of project tolerances, and how these are reported, and projects would benefit from developing their approach to stakeholder communication.

Risk Management Arrangements

The programme has adopted the Council's corporate risk management approach. We have identified a number of factors that indicate the approach to risk and issues management requires embedding across the programme. For example, risks highlighted in the Future Shape Phase 2 interim report to Cabinet do not appear in the One Barnet risk register.

These messages are consistent with our overall Use of Resources assessment within the internal control Key Line of Enquiry (KLoE) where we identified some opportunities to improve risk management arrangements, to be used as a support tool for the achievement of strategic objectives.

Current arrangements within the One Barnet programme could be enhanced by ensuring that risk management and issues resolution standards are clearly defined so that, for example, all projects understand how risks are to be recorded, reported and escalated.

Given the nature of this programme it is clear that the Council needs to embed more deeply a wider understanding of the identification, mitigation and management of risks. A number of recent reports on risk management to the Audit Committee have illustrated that further work is still needed to embed appropriate approaches for individual programmes.

1.4 Conclusion

The overall arrangements for the programme are adequate in a VFM context.

Our recommendations are designed to strengthen the current programme governance and programme management arrangements.

Given the current economic climate and the financial challenges ahead, an innovative approach to service delivery needs to be encouraged. Our recommendations are made within the context of the Council wanting to devolve decision making, including its approach to risk management. The Action Plan included with this report is for internal use, for management to determine how they would like to respond to our recommendations.

1.5 Recommendations

Our detailed recommendations are set out in the body of this report, and summarised in an action plan, which is set out in Appendix A

1.6 Acknowledgements

We would like to take this opportunity to thank the Council's officers for their assistance provided during the course of our review.

1.7 Use of this report

This report has been prepared solely for use by the Council to discharge our responsibilities under the Audit Commission Code of Practice and should not be used for any other purpose or copied to third parties without our written consent. We assume no responsibility to any other person.

**Grant Thornton
June 2010**

2 Alignment with Corporate Priorities

2.1 Background

The Council initiated the Future Shape Programme in 2008 to help meet a number of significant challenges the Council was facing, such as increasing customer demand, having to provide more services with less money, static public satisfaction levels, and intractable problems such as disadvantage where public expenditure seemed to have little effect. The global recession has subsequently exacerbated the position.

The Future Shape Phase 2 interim report proposed a new direction for the Council and in July 2009 the Cabinet agreed a programme of activity - subsequently to form the One Barnet programme - underpinned by the following key principles:

- **A relentless drive for efficiency:** in which the Council plays a leading role in ensuring that public services as a whole are as efficient as they can be.
- **A one public sector approach:** in which our strategies and services and those of our public sector partners are integrated and aligned, so that we can work together to improve outcomes for people in Barnet. An important aspect will be placing democratic accountability at the heart of it all.
- **A new relationship with citizens:** in which citizens will have a much greater involvement in designing services and actively participating in improving their lives and Barnet.

The Phase 2 interim report primarily focussed on the first of these two principles, and the final Phase 2 report, which was presented to Cabinet in October 2009, focussed on the new relationship with citizens.

2.2 Findings

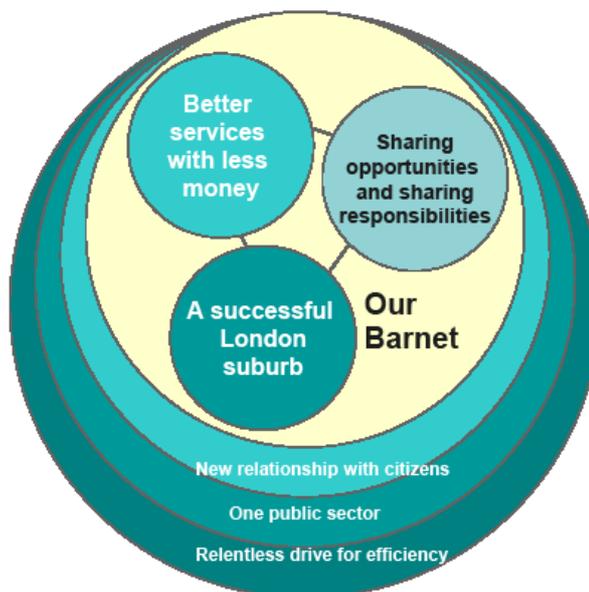
The 2009-10 Corporate Plan stated that "efficiency has always been important to us but when there is even less to go around we have to squeeze all the value we can out of taxpayers' money. We will focus relentlessly on the efficiency of what we do to ensure we deliver ever increasing value for money."

The Phase 2 Future Shape review has clearly informed the development of the new Corporate Plan for the period 2010-2013¹. The new Corporate Plan sets out the strategic priorities as:

- Better services with less money;
- Sharing opportunities and sharing responsibilities; and
- A successful London suburb.

These priorities are underpinned by the three key principles identified by Future Shape, which is set out in the graphic below.

¹ Draft Corporate Plan 2010-2013 Version 12 (Cabinet, 12 April 2010).



Barnet Council Corporate Priorities

The Corporate Plan sets out a vision for each corporate priority, the strategic objectives, key projects and key performance indicators associated with the priority.

The principles of the Council's future approach, derived from Future Shape, are set out in the new Corporate Plan as follows:

- **A relentless drive for efficiency:** delivering more choice for better value.
- **A one-public-sector approach:** working together in a more linked up way with out public sector partners across the borough to deliver better services.
- **A new relationship with citizens:** where we enable residents to help one another to access the information and support they need, where we provide residents with personalised services and support them to change damaging behaviours such as smoking and drug use.

We note that the definition of each Future Shape principle has changed from those included in the July 2009 Cabinet report, but whilst the definitions are more summary in nature, they retain their original objective.

The new Corporate Plan forms the basis of the 2011/12 One Barnet plan, and the implementation of the new Sustainable Community Strategy.

In summary, therefore, it is clear there is a strong alignment between the One Barnet programme and Corporate Priorities.

3 Programme Management and Governance Arrangements

3.1 Introduction

Central to our review has been identifying any issues that relate to the overall management and governance of the programme.

To identify any issues, and gaps to expected practice, we have considered key programme management activities against a best practice framework².

The summary of this analysis is set out below, with further detail provided at Appendix B.

| Programme Start Up | Expected Actions Completed? |
|--|------------------------------------|
| LBB has confirmed its commitment to the change programme | Y |
| Business Need Confirmed | In part |
| Appointment of Senior Responsible Officer (SRO) | Y |
| Produce Programme Brief | In part |
| Check Success Potential | In part |
| Strategic Assessment | In part |
| Approval to proceed | In part |
| Build Programme Vision | N |
| Design programme organisation | Y |
| Develop programme governance strategies | In part |
| Design programme plan | Y |
| Develop programme business case | N |
| Approval to Proceed | In part |
| 2. Programme Governance | Expected Actions Completed? |
| Establish Programme Structures | Y |
| Establish Physical Programme Environment | Y |
| Establish Risk Management/Issues Resolution Standards | Y |
| HR Management | N |
| Procurement and Contract Management (PCM) | Y |
| Programme Communications | In part |
| Reporting, Monitoring and Control | Y |
| Information Management | Y |
| Management of Programme Activity | Y |
| Maintaining Business as Usual (BAU) | To develop |

² OGC Managing Successful Programmes

| | |
|--|------------------------------------|
| Interim reviews | n/a |
| 3. Managing Project Portfolio | Expected Actions Completed? |
| Project Start Up | Y |
| Aligning Projects | N |
| Monitoring Progress | In part |
| Managing Risks | In part |
| Project Closure | n/a |
| Managing Stakeholders | N |
| 4. Programme Closure | Expected Actions Completed? |
| Confirm Programme Closure | n/a |
| Programme Review | n/a |
| Finalise Programme Documentation | n/a |
| Disband Programme Team and Support Functions | n/a |
| Inform Stakeholders | n/a |
| 5. Managing Benefits | Expected Actions Completed? |
| Establish benefits measurement framework | N |
| Refining the benefits profile | n/a |
| Benefits monitoring | To develop |
| Transition Management | To develop |
| Supporting Benefits Realisation | To develop |
| Measuring Benefits | To develop |

We set out below our key findings, on an exception basis, in relation to the programme management and governance arrangements of the One Barnet programme.

3.2 Programme Start Up

At the time of our review, most key actions relating to the start up of the programme had been commenced, and in some cases completed.

The key gaps, in terms of actions that need to be completed at this stage in the programme's life cycle, relate to the need for an overall programme business case to be developed and approved. At present, the programme has received high level Cabinet approval to proceed, and projects are beginning to develop content that can be aggregated at a programme level. However:

- There is no formal programme mandate document.
- Further work is required to develop the programme vision and the organisational blueprint to which the programme needs to be aligned.
- High level cost and benefits, both qualitative and quantitative, expected from the programme, and the programme's impact on business needs are to be finalised.

A programme business case would include much of the content highlighted in the list above, and is a critical milestone in the set up stage of the programme to ensure the Council effectively understands how Future Shape is being operationalised, and the programme has a robust mandate.

Recommendation 1

The Council develop and agree a business case for the One Barnet programme, incorporating:

- the planned benefits and outcomes of the programme;
- the estimated cost of the programme;
- overall timescales of the programme, including key anticipated milestones; and
- a high level risk profile.

We also note that some key programme documents need to be developed or finalised, as follows:

- **Resource Management Strategy:** to ensure that Council resource deployed on the projects that make up the programme, and the programme management function, is properly understood, appropriate resource can be applied, and any resource gaps be identified and managed. This should include resource required to support the programme, such as financial, legal and commercial).
- **Quality Management Strategy :** to ensure that senior management have a framework that identifies the over arching strategy for performance improvement outcomes of the programme. This would include key principles relating to customer focus, continuous improvement, stakeholder involvement, and the approach to leadership and decision making for the programme.
- **Stakeholder Engagement Strategy:** to ensure that all stakeholders affected by the One Barnet programme are formally identified, and communication channels, frequency of communication, and responsibility for communication, are agreed.
- **Benefits Management Strategy:** to ensure that the approach to managing and monitoring benefits realisation is agreed.

Recommendation 2

Programme documents noted above are developed and approved to ensure that the Council has the capacity to deliver the programme, is clear about how stakeholders will be engaged, and how performance improvement and programme benefits will be managed.

3.3 Programme Governance

The programme governance arrangements are set out in the One Barnet Programme Organisation document³. This sets out:

- The purpose, role and membership of the Programme Board.
- Project life cycle within the programme.
- The structure of the programme.
- Roles and responsibilities of the Programme Management Office, Upper Management, the Operational Group, and Work Stream leads.

The document also sets out the governance structure of the programme, which is replicated in Appendix C to this report.

The Programme Board is chaired by the Leader of the Council and its membership comprises senior officers and members from the Council, and representatives from the NHS, Metropolitan Police, Middlesex University and the voluntary sector. The high level terms of reference for the Board is clearly set out.

The Chief Executive is the Senior Responsible Officer for the programme, and he chairs the Operational Group. The membership of this group comprises senior officers from the Council and is responsible for overseeing the delivery of the programme.

A Programme Management Office (PMO) has been set up to manage the day-to-day delivery of the programme. The Programme Director post has been filled, on an interim basis, and the Programme Manager is in post. Three other posts have been established to support programme administration, finance and communications, and the Council was in the process of recruiting to these posts during the course of our review.

The programme governance arrangements are generally in line with expected good practice, but we note the following exceptions:

- The PMO has provided guidance on communication issues for projects to consider, and a communication strategy has been drafted⁴. However, further work on the strategy is required to ensure that the communication requirements of all internal and external stakeholders are better understood and incorporated in the programme and project communication plans.
- There is no formal transition plan in place to ensure continuous service is maintained during the implementation of the One Barnet programme, there is an alignment to the Council's HR Strategy, and any associated risks are mitigated and managed. Related to this, we note that the programme has a People and Culture work stream, which is good practice, but that a Resource Strategy has not yet been developed, as mentioned in section 3.2 above.

³ Version 8, 11 February 2010.

⁴ Communications Materials: Future Shape Programme, April 2010

Recommendation 3

The Council:

- (a) develops a Transition Plan to ensure business as usual is maintained during the delivery of the programme, and
- (b) finalise and agrees a programme Communication Strategy.

3.4 Managing Benefits

At the time of our review no live projects had entered their benefits realisation stage. However, it is important for a programme of this nature to have established a benefits measurement framework in advance of the stage when projects are receiving their approval to proceed.

We have already noted in Section 3.2 that a benefits realisation strategy should be considered. To compliment this strategy, the Council also needs to develop and agree a benefits realisation framework to confirm how benefits are to be measured and evidenced. In addition, the "as is" position needs to be agreed so that benefits have an effective baseline to be measured against.

Currently, live projects include content on benefits, but the PMO must develop a standard framework for all projects so that:

- benefits are identified and defined consistently and clearly, and are realistic;
- projects are committed to the identified benefits and their realisation;
- benefits are used to direct the programme and provide a focus for delivering change;
- benefits realisation is evidenced, tracked and recorded, and achievements are properly identified and recognised; and
- there is an alignment between the programme benefits, the programme's vision and it's desired outcomes (i.e. the programme business case).

Recommendation 4

The Council should consider developing and agreeing a Benefits Realisation Framework.

Our findings in relation to Managing Projects is covered in Section 4. A review of the Council's approach to Programme Closure has not been undertaken, due to this not being appropriate, given the timing of our review in relation to the programme's life cycle.

4 Project Management Arrangements

4.1 Introduction

The Council has established a Project Consultancy Team. This team does not form part of the One Barnet PMO, but develops capacity and capability of all Council projects, including those within the One Barnet programme portfolio.

The Project Consultancy Team also has a key role in supporting the corporate Investment Approvals Board (IAB) and the One Barnet Programme.

4.2 Findings

The IAB

The IAB was established in Autumn 2009. The overarching role of the IAB is to provide assurance that the Council is establishing projects that are aligned to its corporate objectives, and they are being effectively managed. This includes projects that form part of the One Barnet programme. The IAB provides quarterly monitoring reports to Directors as part of the Council's overall corporate performance management framework.

We have reviewed the IAB's current terms of reference, which was agreed in February 2010, and confirm they conform to good practice.

The Project Consultancy Team

The Project Consultancy Team ensure that the Council's corporate project management methodology and associated templates are adhered to and adopted by projects. We have reviewed a sample of project documentation relating to the One Barnet programme and are satisfied that the project management processes and templates are in line with good practice.

Project managers currently sit within the service to which the project relates, but we understand that there are plans to locate all One Barnet project management resource within the PMO. The Project Consultancy Team will continue to review project management skills, familiarise new project management staff with the corporate project management methodology, and provide project management training courses.

The Project Consultancy Team currently co-ordinate project monitoring and reporting arrangements for both IAB, the One Barnet Programme Board and One Barnet Operational Group, and work closely with the One Barnet PMO. We have reviewed a sample of One Barnet monitoring reports and note that the approach adopted is broadly in line with good practice.

We have identified the following opportunities for improvement:

- Some activity undertaken by the Project Consultancy Team supporting One Barnet projects needs to be aggregated by the PMO at a programme level, such as project interdependencies, outputs, milestones and benefits. This includes the development of a high level programme plan, such as a GANTT chart.

- Project tolerances need to be agreed, for example in relation to budget and timescale.
- Project communication plans need to be developed and finalised.

Recommendation 5

The Project Management Arrangements are enhanced by ensuring that:

- A high level programme plan is developed and maintained.
- Project tolerances are set and agreed
- Project communication plans are developed and implemented.

5 Risk Management Arrangements

5.1 Introduction

This section sets out our findings on the current risk management arrangements that have been adopted and are being used by the One Barnet programme.

5.2 Findings

The One Barnet programme has adopted the Council's corporate risk management methodology and associated templates. We understand that the PMO plans to develop a Risk Management Strategy for the programme, but that the corporate strategy is being used as an interim measure.

Our recent, separate, UOR assessment of internal controls identified opportunities to improve overall corporate and service level risk management arrangements. Most importantly, we noted that risk management needed to improve to support the Future Shape agenda, and minimise organisational risk. It is also viewed as essential that the risk management strategy be updated to include Future Shape, and reflect the structures and groups in place to manage risk.

Underpinning the findings from this separate review was a lack of understanding of what the purpose of risk management arrangements were, and a lack of examples of positive outcomes. For example, that a mitigating action has had a positive impact on reducing risk to a tolerable level. It is clear that it will be some time before risk management arrangements are embedded within the Council. These separate findings should be referred to when developing risk management within the One Barnet programme.

The One Barnet Programme Organisation Document states that: "in line with corporate standards the PMO will keep a comprehensive, up to date monitor of all risks and issues affecting the programme, to be presented to the Operational Group at their monthly meetings, and to the One Barnet Programme Board in cases where the Operating Group has deemed it appropriate."

The monthly highlight report presented to the Operational Group includes a high level risk rating for programme work streams and individual projects, using a Red/Amber/Green (RAG) rating. We have been advised that the PMO that this risk assessment incorporates project based risks identified via the IAB reporting cycle.

Whilst the approach to risk management adopted by the programme has elements of good practice, we have noted the following:

- The corporate Project Initiation Document (PID) template includes a section on risks. However, from our sample of PIDs relating to the programme, we note that not all projects have included an initial risk register, and those that have done so, do not include the same content. For example, they do not all include the probability and impact of the risks identified.

- There is a programme risk register and programme issues log in place, and both documents are managed by the PMO. Whilst this is good practice, it is not clear if and how project level risks are being incorporated at a programme level.
- In addition, both documents include content that was updated only on 18 February, so it is not clear how up-to-date these documents are, and how much focus the PMO is placing on risk management and issues resolution.
- The Future Shape Phase 2 interim report (July 2009) set out high level risks for the programme, but these do not appear in the One Barnet programme risk register.
- It is not clear how risks can be escalated by project managers, work stream leads, the PMO or the Operational Group.

Recommendation 6

The approach to Risk Management be enhanced by ensuring that the programme has established risk management and issues resolution standards for all projects. For example, so that all PIDs adopt the same, corporate standard content, when setting out risks, and the process for escalating risks is clearly understood.

Appendix A: Action Plan

Our recommendations are summarised in the following action plan.

| No. | Recommendation | Priority (H/M/L) | Responsibility | Agreed | Comments |
|-----|---|------------------|-----------------------------------|--------|---|
| 1 | <p>The Council develop and agree a business case for the One Barnet programme, incorporating:</p> <ul style="list-style-type: none"> the planned benefits and outcomes of the programme; the estimated cost of the programme; overall timescales of the programme, including key anticipated milestones; and a high level risk profile. | H | Programme Management Office (PMO) | Yes | <p>The majority of live projects within the programme are still assessing options with regard to the future of our services. It is unlikely that we will have an exact list of benefits until these options have been fully assessed and business cases produced in each case. We are able, however, to articulate the desired outcomes and estimated benefits of the programme, along with costs, timescales and a risk profile</p> <p>Action:</p> <p>Business case signed off (12 October 2010)</p> |

| No. | Recommendation | Priority (H/M/L) | Responsibility | Agreed | Comments |
|-----|--|------------------|-----------------------------------|--------|--|
| 2 | Additional programme documents are developed and approved to ensure that the Council has the capacity to deliver the programme, is clear about how stakeholders will be engaged, and how performance improvement and programme benefits will be managed. | M | PMO / Corporate Programmes Office | Yes | <p>A Communication and Engagement Strategy is being produced by the Internal Communications Manager working on the programme. This is to be reviewed by the Operational Group in September 2010. The Internal Communications Manager is already working with project managers to ensure project level communication and engagement plans are in place</p> <p>Actions:</p> <p>The following documents will also be produced and communicated –</p> <p>Resource Strategy (12 October 2010)</p> <p>Benefits Realisation Framework (end October 2010)</p> |

| No. | Recommendation | Priority (H/M/L) | Responsibility | Agreed | Comments |
|-----|--|------------------|----------------|--------|---|
| 3 | <p>The Council:</p> <p>(a) develops a Transition Plan to ensure business as usual is maintained during the delivery of the programme, and</p> <p>(b) finalise and agrees a programme Communication Strategy.</p> | M | PMO | Yes | <p>HR resources within the programme are responsible for putting a Transition Plan in place for each project. Transition planning at a detailed level cannot begin, however, until projects begin to narrow down options and build business cases. A Transition Strategy can be produced for the programme at this stage.</p> <p>HR will also support the production of the resource strategy to ensure there is resource in the business so that organisational performance is not negatively affected</p> <p>Action:</p> <p>Transition Strategy to be signed off (end November 2010)</p> <p>Transition Plans to be put in place in accordance with the programme plan – linked to project plans (date dependent on each project / programme of activity)</p> |
| 4 | The Council should consider developing and agreeing a Benefits Realisation Framework | H | PMO | Yes | <p>The realisation of benefits is paramount to the success of this programme, therefore a framework will be put in place to support this work stream</p> <p>Action:</p> <p>Benefits Realisation Framework signed off (end October 2010)</p> |

| No. | Recommendation | Priority (H/M/L) | Responsibility | Agreed | Comments |
|-----|--|------------------|--|--------|--|
| 5 | <p>The Project Management Arrangements are enhanced by ensuring that:</p> <ul style="list-style-type: none"> • A high level programme plan is developed and maintained. • Project tolerances are set and agreed • Project communication plans are developed and implemented. | M | PMO PMO /project boards PMO / project boards | Yes | <p>There is no budget tolerance for any project in this programme</p> <p>Actions:</p> <p>Programme Plan produced and signed off (12 October 2010)</p> <p>Project tolerances to be set and agreed for live projects (at September project boards, where not already done, for existing projects and then at each subsequent stage. New projects to have tolerances signed off at each stage)</p> <p>Project communications plans for live projects to be produced and signed off (end September 2010)</p> |
| 6 | <p>The approach to Risk Management be enhanced by ensuring that the programme has established risk management and issues resolution standards for all projects. For example, so that all PIDs adopt the same, corporate standard content, when setting out risks, and the process for escalating risks is clearly understood</p> | M | Operational Group / PMO | Yes | <p>Action:</p> <p>Risk Management Framework, including risk and issue management standards signed off (12 October 2010). Framework to be communicated to all live and pending projects and stakeholders within one week of sign off</p> |

Appendix B: Analysis of Programme Management Actions

| 1. Programme Start Up | Actions Required | Notes |
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| LBB has confirmed commitment to the programme | <ul style="list-style-type: none"> • Overall business change strategy has been approved by Council Directors Group and Cabinet • Programme sponsoring group appointed. • Understand likely investment required | <ul style="list-style-type: none"> • Cabinet paper Oct 2009 approved next stage of One Barnet programme, following conclusion of Future Shape work. • Have set overall objectives (VFM, relationship with citizens and One Barnet) and authority for Chief Executive to operationalise programme. • Programme Sponsoring Group set up (One Barnet Programme Board). Chaired by Leader, including reps from other local public sector bodies. Operational Group internal to Barnet - subset of CDG. • Budget established for 2 years. Likely investment still to be confirmed. |
| Business Need Confirmed | <ul style="list-style-type: none"> • Change contributes to LBB's corporate strategy • Programme mandate developed • Inter-dependencies identified | <ul style="list-style-type: none"> • Programme contributes to various elements of LBB's corporate strategy. October 2009 Cabinet report identified links between programme objectives and corporate objectives. New corporate plan has recently been finalised, that also highlights these links. • No specific programme mandate document. Content included in Oct 2009 Cabinet report - i.e. have political mandate to operationalise programme. • Some interdependencies identified (in projects that have come forward in project brief or PID, depending on where in project life cycle). • Further to be identified as progress. Cabinet report did not provide steer on sequencing and priorities. |
| Appointment of Senior Responsible Officer (SRO) | <ul style="list-style-type: none"> • Programme level SRO appointed from the sponsoring group | <ul style="list-style-type: none"> • Chief Executive is chair of operational group. Defined as SRO in terms of reference in programme manual. Responsibilities below SRO within programme have been |

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| | | agreed, e.g. Work Stream leads. |
| Produce Programme Brief | <ul style="list-style-type: none"> • Vision statement setting out planned outcomes • High level benefits and how they will be measured • Identification of programme level risks and issues • Estimated costs and timescales • Identify candidate projects | <ul style="list-style-type: none"> • SRO has confirmed priority activity for programme. • Content on vision within individual projects. Some content in October 2009 Cabinet report, but no formal programme vision. • Programme tracking those benefits already identified (1-2 of 25+ planned projects). October 2009 Cabinet report includes content. • Have established programme risk register and issues log. • Finance have estimated programme support costs and captured initial project costs. • Have project database setting out planned portfolio of projects. |
| Check Success Potential | <ul style="list-style-type: none"> • Establish readiness for the organisation to respond to and manage change. • Identify inhibitors to change • Clarify inter-dependencies with other change projects or programmes • Identify change communication requirements | <ul style="list-style-type: none"> • Have work stream on people and culture in the programme. Established a project team to manage this work stream. • More thinking required regarding capacity and prioritisation. • Not yet identified change inhibitors. • Interdependencies to be managed via corporate Investment Approvals Board process. Planning service directorate representation on operational group to support interdependency identification. • Currently completing change communication strategy. |
| Strategic Assessment | <ul style="list-style-type: none"> • High level assessment of programme's costs and benefits and impact on business needs | <ul style="list-style-type: none"> • Not fully completed - see above. |
| Approval to proceed | <ul style="list-style-type: none"> • Clear statement of costs, benefits, risks and timescales | <ul style="list-style-type: none"> • Cabinet 2009 report represents approval to proceed in principle, but this was not based on fully costed proposals, with high level benefits (etc) identified. |
| Build Programme Vision | <ul style="list-style-type: none"> • Develop Vision Statement • Develop organisational blueprint • Define benefits profile | <ul style="list-style-type: none"> • Vision statement not yet further developed. • Debate commencing on organisational blueprint (e.g. target operating models) • Not yet moved to benefits profiling. |

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| Design programme organisation | <ul style="list-style-type: none"> • Define roles and resources required to manage delivery of change programme | <ul style="list-style-type: none"> • Programme roles defined (in programme organisation document) and PMO established. |
| Develop programme governance strategies | <ul style="list-style-type: none"> • Benefits Management Strategy • Benefits Realisation Plan • Stakeholder Management Strategy and Communications Plan • Risk Management and Issue Resolution Strategies • Quality Management Strategy • Resource Management Strategy | <ul style="list-style-type: none"> • Stakeholder Management Strategy being developed. • Risk Management and Issues Resolution Strategy developed. • Other strategies are being developed or have not yet been developed. |
| Design programme plan | <ul style="list-style-type: none"> • Project evaluation / appraisal framework • Project portfolio • Programme schedule • Transition Plan • Monitoring and Control Activities to measure programme performance | <ul style="list-style-type: none"> • Investment Approval Board established (corporate board, but forms part of programme structure). • Project database in place. • Timelines and sequencing at high level in development. • No transition plan. • IAB advises approved projects how and when re: monitoring. Programme board incorporates this for own monitoring purposes. • No high level programme plan. • Corporate project management system (Hydra) used by Project Consultancy - currently reviewing how to progress roll out across authority. |
| Develop programme business case | <ul style="list-style-type: none"> • Strategic Objectives • Planned benefits and outcomes • Overall risk profile • Estimated Cost • Overall timescales including scheduled programme milestones | <ul style="list-style-type: none"> • Not yet developed. |
| Approval to Proceed | <ul style="list-style-type: none"> • Approve programme and confirm associated investment decision | <ul style="list-style-type: none"> • Not at programme business case level. Approval to proceed (Oct 2009 Cabinet report) to operationalise programme. |

| 2. Programme Governance | Actions Required | Notes |
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| Establish Programme Structures | <ul style="list-style-type: none"> • Appoint Programme Director • Appoint Programme Manager and other programme resource • Establish Programme Board. | <ul style="list-style-type: none"> • Programme Director appointed (on an interim basis). • Programme Manager appointed (permanent). • Operational Group is in effect the programme board. |
| Establish Physical Programme Environment | <ul style="list-style-type: none"> • Re-deploy existing facilities to provide office space and services for programme • Acquire technology and tools to support programme | <ul style="list-style-type: none"> • PMO office space made available. • Access to all necessary tools and software (e.g. corporate risk register). |
| Establish Risk Management and Issues Resolution Standards | <ul style="list-style-type: none"> • Define risk and issues management framework. • Review Project Initiation Documents (PIDs) to ensure alignment with programme management framework. • Integration of project level information to standardise programme level reporting. • Agree reporting requirements. | <ul style="list-style-type: none"> • High level risk and issues management framework. • Programme has adopted corporate project management methodology and templates. • PIDs (and project briefs and OBCs/FBCs) approved by IAB in process and governance terms, Operational Group approves investment. • Reporting requirements are set by IAB, in conjunction with PMO. At project level have quarterly highlight reports. Project Consultancy team also look at each project's timescales for more practical approach to reporting between quarterly reports. |
| HR Management | <ul style="list-style-type: none"> • Resource Management Strategy should identify HR requirements for the programme | <ul style="list-style-type: none"> • Resource Management Strategy to be developed by PMO. To include project resource requirements, plus resources to support programme (e.g. financial, legal and commercial). • Programme has people and culture work stream. |
| Procurement and Contract Management (PCM) | <ul style="list-style-type: none"> • PCM requirements defined within corporate policies and standards (possible tailoring to suit needs of programme) | <ul style="list-style-type: none"> • Currently programme has adopted LBB contract standing orders. |
| Programme Communications | <ul style="list-style-type: none"> • Roll out the Stakeholder management strategy and communications plan • Develop opportunities for | <ul style="list-style-type: none"> • Developed Communication Strategy. PMO provided communication guidance for projects to consider. |

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| | <ul style="list-style-type: none"> • promoting successes to wider local government audience | <ul style="list-style-type: none"> • Further work required, e.g. with other public sector partners re: promotion. |
| Reporting, Monitoring and Control | <ul style="list-style-type: none"> • Roll out reporting, monitoring and control requirements defined in the Programme Plan across the programme and its projects • Escalation process agreed to ensure momentum of delivery is not compromised | <ul style="list-style-type: none"> • Roll out as projects come on stream. Highlight report developed. • Escalation process defined in programme organisation document. |
| Information Management | <ul style="list-style-type: none"> • Establish programme document management system • Update and refine programme documentation as programme progresses | <ul style="list-style-type: none"> • Use corporate guidance. |
| Management of Programme Activity | <ul style="list-style-type: none"> • Manage Programme Team • Work with other programme delivery providers | <ul style="list-style-type: none"> • Programme Director, reporting to Director of Commercial Services. • As required. |
| Maintaining Business as Usual (BAU) | <ul style="list-style-type: none"> • Planning to ensure continuous service is maintained during change programme. • Plan for transition activities when new ways of working introduced | <ul style="list-style-type: none"> • To be developed. |
| Interim reviews | <ul style="list-style-type: none"> • Interim reviews of progress in realising benefits • Review effectiveness of programme management activities | <ul style="list-style-type: none"> • Not yet required, but to be established. |

| 3. Managing Project Portfolio | Actions Required | Notes |
|-------------------------------|---|---|
| Project Start Up | <ul style="list-style-type: none"> • Establish project evaluation / appraisal process for projects not currently part of programme. • Define project management standards required for live projects within the programme. • Ensure project team for each project in the programme understand project brief and project management standards required. • Review projects that | <ul style="list-style-type: none"> • Via IAB. • Corporate project management standards being applied. • Have Projects Consultancy Team responsible for managing IAB, and assisting projects with project management discipline. Sits outside PMO, but work closely together. • No live projects adopted by programme to date. |

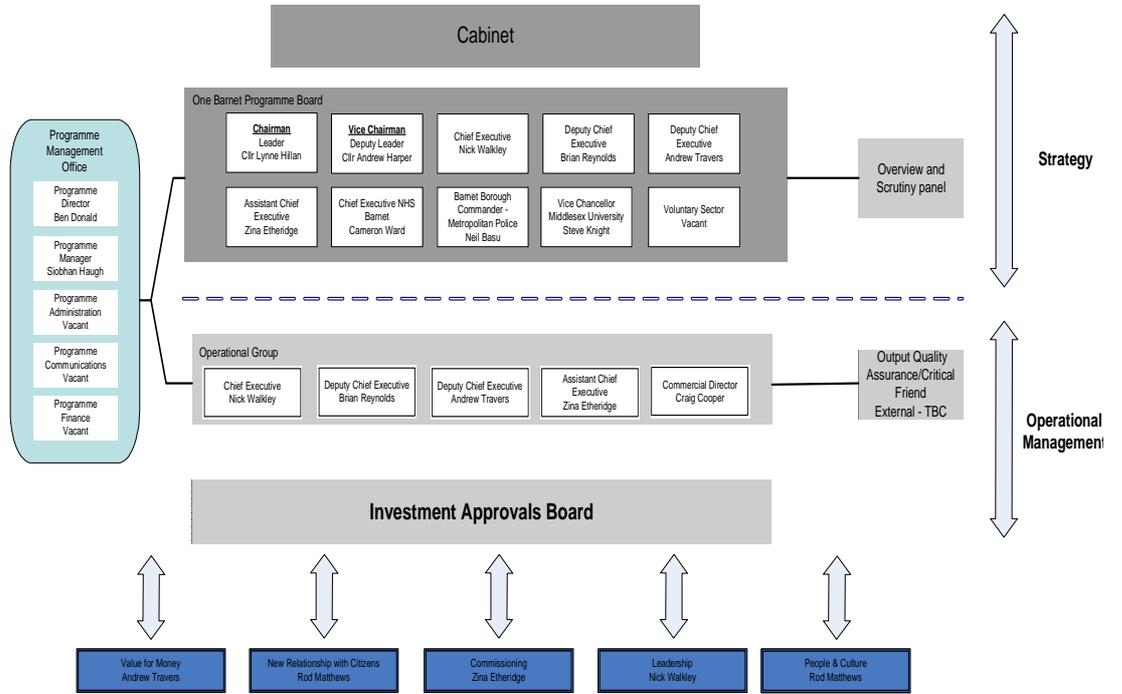
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| | <p>commenced prior to programme delivery to ensure project standards are aligned to programme requirements.</p> | |
| Aligning Projects | <ul style="list-style-type: none"> • Ensure required benefits and outcomes can be realised via the project outputs • Re-scope projects as required to align with the programme’s blueprint and benefit realisation plan. | <ul style="list-style-type: none"> • Task identified at project level. To be completed - projects need to align to future blueprint. • Projects informing programme - programme will evolve as result of research and assessment activity (concept stage). |
| Monitoring Progress | <ul style="list-style-type: none"> • Monitoring of project outputs, milestones, expenditure and funding. • Reviewing project risks and issues • Avoid unintentional scope creep • Establish Programme Board reporting tolerances | <ul style="list-style-type: none"> • IAB has central role in project monitoring. • Highlight report provides some of this content at programme level. • Reporting tolerances not yet defined. Some projects have included tolerances in project brief (particularly time), but as initial stage of delivery, being given greater tolerance in assessment period, but anticipated will tighten. • Tolerances need to be formalised. |
| Managing Risks | <ul style="list-style-type: none"> • Ensure project risks are appropriately tracked and managed | <ul style="list-style-type: none"> • IAB ensures this requirement a condition. • Risks managed at a project level. PMO takes IAB reporting content from projects for programme board. |
| Project Closure | <ul style="list-style-type: none"> • Formal confirmation of project outputs • Start of transition and integration of outputs into business operations. | <ul style="list-style-type: none"> • Not applicable - no projects have yet completed. |
| Managing Stakeholders | <ul style="list-style-type: none"> • Programme and project communication to end beneficiaries and those implementing change. | <ul style="list-style-type: none"> • Communication Strategy not yet operationalised. Generally ad hoc approach to stakeholder engagement. • Particular need to focus on internal stakeholders - activity taking place, but needs to be structured and documented (e.g. change in personnel in future) • At a strategic level, there is good engagement with LSP. |

| 4. Programme Closure | Actions Required | Notes |
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| Confirm programme closure | <ul style="list-style-type: none"> • Formal confirmation from the Senior Responsible Officer and Sponsoring Group that programme business case has been realised | <ul style="list-style-type: none"> • Programme still live. |
| Programme Review | <ul style="list-style-type: none"> • Evaluate performance of the programme to identify lessons learned | <ul style="list-style-type: none"> • Programme reviews required, but not yet mapped out. |
| Finalise Programme Documentation | <ul style="list-style-type: none"> • Review and update all programme documentation to ensure any remaining issues, risks and outstanding actions have been with dealt with appropriately | <ul style="list-style-type: none"> • Programme still live. |
| Disband programme team and support functions | <ul style="list-style-type: none"> • Individuals return to other duties or are assigned other duties • Any contracts finalised and closed. | <ul style="list-style-type: none"> • Programme still live. |
| Inform stakeholders | <ul style="list-style-type: none"> • Inform all stakeholders of programme closure and its outcome • Marketing activity as required. | <ul style="list-style-type: none"> • Programme still live. |

| 5. Managing Benefits | Actions Required | Notes |
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| Establish benefits measurement framework | <ul style="list-style-type: none"> • Measure “as is” position to baseline the benefits profile • Confirm how benefits are to be measured and evidenced. | <ul style="list-style-type: none"> • Programme needs to define baseline position. • Projects to establish baseline position (either new piece of work or taken from last year's Future Shape work). Expect this to form part of options appraisal that will feed into programme Business Case. • Measurement of benefits requires further work. |
| Refining the benefits profile | <ul style="list-style-type: none"> • Regular review and adjustments as required during the programme | <ul style="list-style-type: none"> • Highlight report includes content for benefit monitoring. • Within Future Shape making provision to monitor benefits. |
| Benefits monitoring | <ul style="list-style-type: none"> • Monitor progress against overall business case, programme plan, benefits realisation plan and blueprint • Understand impact of unplanned events on benefit targets and re-focus programme objectives as | <ul style="list-style-type: none"> • To develop. |

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| | required. | |
| Transition Management | <ul style="list-style-type: none"> • Utilise route map included in Programme Plan. • Alignment to Programme Communications Plan and HR Management Strategy • Communicate benefits realised. | <ul style="list-style-type: none"> • To develop. • Starting to involve HR. |
| Supporting Benefits Realisation | <ul style="list-style-type: none"> • Embedding of change into the business so that benefits are realised • Identification of any dis-benefits and additional costs arising during implementation | <ul style="list-style-type: none"> • To develop. |
| Measuring Benefits | <ul style="list-style-type: none"> • Measure achievement against benefit targets against baseline. | <ul style="list-style-type: none"> • To develop. |

Appendix C: One Barnet Programme Organisation





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