Derby City Council

Report sponsor: Don McLure, Strategic
Director of Corporate Resources
Report authors: Mags Young, Director of
Communities and Place and Heather Greenan,
Director of Policy, Insight and Communications

ITEM 08

Establishment of project and change management resources

Purpose

1.1 This report presents resourcing proposals which underpin delivery of major projects in the Communities and Place directorate and Council-wide change and improvement driven by Corporate Core.

Recommendations

2.1 Communities and Place: To approve additional project management resource within Communities and Place directorate as set out at paragraph 4.2.

2.2 Corporate Core: To approve change and project management resource based within the Policy, Insight and Communications department (part of Corporate Core) as set out at paragraph 4.3.

2.3 To delegate any minor variations to the establishment to the relevant Strategic Director.

Reasons

3.1 **Communities and Place**: the Directorate is responsible for delivering a large number of major projects across the city. These projects are high value, high impact on the city and local citizens and high profile. It is essential that these projects are properly resourced to aid their delivery on time and on budget.

3.2 **Corporate Core**: successful organisations recognise the need for change and adapt to new requirements in an agile and transformational way. The comprehensive Diagnostic Review commissioned by the Chief Executive and undertaken in 2018 identified many opportunities to break down silos, modernise and improve how we work internally and externally and deliver better outcomes for local citizens. This requires fundamental change and can only be fully achieved by having the right skills and knowledge to facilitate change across DCC.

Supporting information

4.1 As part of an assessment of project management and change and transformation management needs of the Council, it is proposed to establish two teams, one in Communities and Place and one in the Corporate Core. These teams will have distinct functions and different roles and responsibilities, but will have some synergies

and overlaps, for example in terms of governance/corporate compliance and developing a learning culture within the organisation.

The Project Management Hub within Communities and Place will focus on project delivery. The key focus of the Change Derby Team within the Corporate Core will be on change and transformation.

4.2 **Communities and Place**:

Communities and Place Directorate is responsible for the delivery of a number of major high profile projects and initiatives. As a result of reducing resources and lessons learned from recent project management failures, the Directorate has undertaken a project delivery resource assessment.

The assessment has determined the additional essential project management delivery resource needed to ensure the effective development and implementation of a number of schemes and projects. This additional resource will complement existing resources.

The resource will comprise:

- Project Directors
- Project Managers
- Project Officers

These roles are aligned with the Council's Project Delivery Role Framework and the Corporate Programme Management Office requirements (PMO).

The proposal was presented to the corporate PMO Board on 18 June 2019 and was unanimously supported.

The resource will sit within a Project Management Hub, managed by the Director of Communities and Place, but will be deployed to different projects across the directorate as required, and operate on a matrix management approach.

The resource will:

- Help meet the project management needs of the Communities and Place Directorate;
- Provide flexible and agile project management resource for the Communities and Place Directorate;
- Help deliver projects in a consistent, structured and professional approach;
- Ensure corporate compliance and work collaboratively and proactively with the PMO;
- Provide governance support for key projects;
- Provide oversight across the Directorate;
- Provide a forum for sharing learning and best practice;
- Create a learning environment within Communities and Place and ensure appropriate training and development;
- Develop skills and expertise.

This resource requirement is based on assessment of current needs, however as projects develop, progress and move into different phases or new projects come on stream, Communities and Place Directorate will:

- Review, assess and modify resource requirements on a regular basis
- Horizon-scan for medium longer term projects and assess resource requirements early and build into bids/plans/programmes.

4.3   **Corporate Core**:

A Diagnostic Review was completed last autumn using data and evidence from a variety of sources which identified that many of our Council processes are traditional and manual with an overall lack of pace and significant scope to modernise and improve efficiency. These changes will be taken forward through the new Council Plan 2019-23 (approved by Cabinet on 12 June and to be considered by Full Council in July 2019), which includes a priority of *'A Council focused on the things that matter'*. To deliver the necessary change, it is essential that this work is resourced appropriately with the right skills and expertise.

The Delivering Differently team was transferred to Policy, Insight and Communications (within Corporate Core) in March 2019. It is proposed to re-focus and extend the work of this team to lead the 'Change Derby' transformation programme and offer the following services on a strategic basis:

- **Project management** - supporting the ongoing implementation of corporate-wide change and service improvement, ensuring robust project assurance and successful management of risk (for example, fostering, cashless and safeguarding).

- **Change Management** (digital, culture & MTFP) - working on key themes and cross-cutting change projects whilst ensuring resilience by guiding services in how best to deliver/ develop their processes. This will include facilitating workshops, designing new Lean processes with services and users, and addressing key issues as part of the Medium Term Financial Strategy (including managing demand in children's services, roll-out of the digital agenda and developing a commercial approach).

The resource will comprise:

- Change Managers
- Project Managers
- Business Analysts
- Project Support Officers

These roles are aligned with the Council's Project Delivery Role Framework and the Corporate Programme Management Office requirements (PMO).

It is proposed the resource will be put in place for two years from July 2019, at a total cost of £1.009m, to be funded from the Delivering Differently reserve (which is

allocated for this purpose). This will be subject to an Achieving Change process within the existing Delivering Differently team that will include a full consultation with the impacted colleagues and trade unions. Benefits will be closely tracked and reported to councillors. Council Cabinet approved the use of funding at its meeting on 12 June 2019.

4.4 **Risks:**

The Council could choose not to invest in project and change management resource. However, this would severely constrain capacity needed for much-needed delivery and change and should therefore not be supported.

Without the additional project resource in Communities and Place the Council could:

- jeopardise the delivery of major capital schemes without the right level and skills of project management resource;
- not provide essential capacity and resilience needed to deliver a number of significant, high cost, high profile projects by Communities and Place Directorate.
- provide insufficient resource to manage effective governance of projects causing a lack of oversight and the increased risk of cost overruns;
- fail to mitigate a risk which sits on the strategic risk register (*SR6) Delivery of major capital projects*;
- create a potential need to employ consultants or project management to fill resourcing gaps at significant extra cost.

Without the additional change and project resource in Corporate Core the Council could:

- lose established project and change capacity and experience and compromise pace and deliverability;
- remove a cross-cutting resource with a corporate understanding of the various services and directorates in the Council;
- create a potential need to employ change consultants or temporary project managers at significant extra cost to implement key money-saving and efficiency projects;
- fail to deliver on the Council's Medium Term Financial Plan through a lack of specialist and dedicated resource to facilitate the change required.

Public/stakeholder engagement

5.1 Subject to approval by Personnel Committee, the Corporate Core proposals will be consulted upon with colleagues and trade unions as part of an Achieving Change process (Phase 2).

Other options

6.1 Do nothing. This is not considered to be a viable option due to the risks identified at paragraph 4.4.

6.2   Use agency. While the use of temporary agency employees or consultants to plug the resourcing gaps can be helpful, with the delivery of major projects over the next 1 to 5 years (and beyond with some major projects) it would be more beneficial to establish in-house resource.

Financial and value for money issues

7.1   Communities and Place:

Post	Grade	No of posts	Total annual cost
Project Director	P	5	£400,441
Project Manager	J	6	£262,174
Project Officer	F	4	£120,622

The costs can be met within existing revenue budgets or from within the grant/capital budget allocated for each project.

7.2   Corporate Core:

Post	Grade	No of posts	Year 1 cost	Year 2 cost
Change Manager	K	4	£208,691.20	£212,865.02
Project Manager	J	3	£141,603.84	£144,435.92
Business Analyst	H	2	£81,994.24	£83,634.12
Project Support Officer	F	2	£64,755.20	£66,050.30

Posts will be funded for two years from July 2019 (or appointment) and will be funded from the Delivering Differently reserve (as approved by Council Cabinet on 12 June 2019).

Legal implications

8.1   None arising from this report.

Other significant implications

9.1   The recruitment into the new posts within Communities and Place Directorate or Corporate Core will be carried out in line with the Council's recruitment processes.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Paul McMahon	24 June 2019
Finance	Amanda Fletcher, Toni Nash	24 June 2019

Service Director(s)		
Report sponsor	Don McLure	23 June 2019
Other(s)	Liz Moore	24 June 2019