

Management Board

Benefits Delivery

A paper by DG Facilities

Purpose

1. The attached paper presents a series of recommendations made by a working group I established to address the Corporate Risk that Parliament might suffer financial and/or reputational damage through the failure to deliver anticipated project benefits.

Action for the Board

2. The Board is asked to
 - Take note of the paper;
 - Give its consideration and endorsement to the recommendations in the paper;
 - Agree to appoint a 'Benefits Delivery Champion' at Board level;
 - Agree that the appointment of SROs should be brought to the Board for endorsement; and
 - Agree that the Benefits Delivery Champion should return to the Board with a plan of work to deliver the actions specifically assigned to him/her (and summarised below) before the summer recess.

Discussion

3. These Recommendations are not mine alone, but are the product of careful consideration by a group on which all Commons Board members were represented. In many cases it is clear enough what needs to be done: the recurring theme of the recommendations is the need to adopt a corporate approach and establish best, common practice across the range of our projects. In practice this will only be achieved if the Board wills it, and puts in place a mechanism to make it happen, on its behalf. So we have proposed that the Board appoints a Benefits Delivery Champion to act as that mechanism. The Champion would work within our existing structures, and with our existing people, to align the activities and processes that presently deliver similar outcomes but in different ways.

4. As the nominated Owner of this risk I am, in effect, the Benefits Delivery Champion already, and I would be happy to continue in this capacity and to take forward, on the Board's behalf (and with its authority, rather than my own), the practical mitigation of this risk. Or the Board may wish to transfer this risk to a different owner.

5. Lords engagement will remain an issue; they have indicated contentment with the practical recommendations made in the paper but as concerns the Lords the BDC role would be one of negotiation and consensus building.

Recommendations

6. The report contains 26 recommendations. Of these, three fall for action by the Board (or the Boards of both Houses, if the Lords wish to participate in a bicameral approach).

6.1. *Nominate a Benefits Delivery Champion (para 12)*. This is the priority decision for the Board.

Does the Board agree to appoint a ‘Benefits Delivery Champion’ at Board level?

6.2. *Projects to be delivered through a portfolio management approach (para 22)*. Compared with PRINCE2 and MSP, Portfolio Management (as defined by the OGC) is still a relatively new and un-tested discipline. Moving the House Service swiftly to a portfolio management environment would require a considerable (if short term) increase in resource and (crucially) proven expertise. The Board may wish instead to establish the concept of evolving towards portfolio management *in the future* as part of its new strategy. This would also give the programme and project functions across Parliament time to mature.

6.3. *SRO appointments to be agreed at Management Board level (para 40)*. The Board may be willing to agree at once that the appointment of SROs should be brought to the Board for endorsement. This is already happening in some areas, but not in others.

Does the Board agree that the appointment of SROs should be brought to the Board for endorsement?

7. One recommendation is for DGs for action:

7.1. *If projects are wound up before their benefits are delivered, DGs should ensure that a continuing commitment to deliver those benefits is established (para 53)*.

This means identifying someone with continuing responsibility – probably outside the temporary project team – to ensure that the benefits are delivered, monitored and reported. The Board may be willing to agree to this at once.

8. Two recommendations are for OCE:

8.1. *Corporate strategy map to be developed and linked to programming and planning functions, (para 7)*. OCE is expecting to develop such a map as part of the development of the new strategy.

8.2. *Establish a systematic process for prioritising and launching projects, perhaps owned by a Parliamentary Investment Approvals Board with RMG providing a co-ordinating role (para 9)*. There has been a large amount of discussion on this topic but no concrete decision to date. If it would facilitate a decision, OCE will summarise current thinking and produce an options paper for the Board in June.

9. One recommendation is for HRMD:

9.1. *A competency framework should be introduced, and applied, to ensure that officials with responsibilities for project approval, oversight, delivery or monitoring are appropriately trained and qualified (para 46)*. This refers to a specific skills gap that has been identified, and which represents a significant risk to successful delivery of our projects and programmes. It is suggested that this be incorporated into the Capability Programme as a priority for action.

Scope of work for BDC

10. The following is a summary of the remaining recommendations, which the BDC will progress on the Board's behalf. It describes the scope of the work that this role will be responsible for:

Benefit Identification

1. Formalise Benefits Management requirements and actively embed appropriate disciplines.
2. Introduce a standard Benefit Profile for all projects.
3. All benefit stakeholders to be identified and engaged from the outset, and specified in the Benefits Profile.
4. Stakeholders and business owners to sign off the benefit profile.
5. Stakeholders to work together in defining and agreeing benefits.

Benefit Delivery

6. SROs, Project Leaders and Project Managers to work together to achieve Corporate Benefits.
7. All business cases to be subject to peer review and challenge by an appropriate stakeholder group.
8. High value or potentially contentious business cases to be considered and discussed either at the Boards themselves, or by an alternate body constituted appropriately for the purpose.
9. Approval requests to be scheduled in advance.
10. Guidance required on investment commitment submissions.
11. Complete clarity to be given in Business Case approvals on precisely what is being approved; how and where the required resources will be allocated; and the tolerances for re-submission.
12. An electronic, workflow approval system to be established to facilitate the approval process.
13. Definitions of project / programme role responsibilities within various Departments to be standardised.
14. Specific delivery responsibilities to be systematically and rigorously reflected in PDMs.
15. Business cases to allow Approving Officers to review the structure of the proposed project team.
16. Business cases to specify the project or programme management discipline to be applied.
17. Standardised reporting format.
18. Programmes and projects to include a Business Change Manager or equivalent.

Benefit Measurement & Reporting

19. Parliament wide discipline to map benefit realisation against business case intent for all projects.

11. Does the Board agree that the Benefits Delivery Champion should return to the Board with a plan of work to deliver the actions specifically assigned to him/her (and summarised above) before the summer recess?

John Borley
19 May 2010

BENEFITS DELIVERY WORKING GROUP – ISSUES AND RECOMMENDATIONS

BACKGROUND

1. The Benefits Delivery Working Group was established to present the Management Boards with proposals to mitigate the risk of benefit delivery failure. This risk is identified in the House of Commons Business Plan but also impacts on the House of Lords.
2. Specifically the remit of the Group was to propose consistent, Parliament wide processes to ensure that both Houses:
 - Pursue the most significant benefits.
 - Identify benefits accurately.
 - Successfully deliver benefits in the face of risks.
 - Measure and report benefits achieved.
3. This report summarises the issues that were highlighted by the Group in each of these areas, and the Group's related recommendations. It is telling that it is difficult to see where a number of the resulting actions should be assigned. One of this report's recommendations therefore is that we establish a Benefits Delivery Champion (BDC); he or she would operate, on behalf of the Board, across the Departments in order to take forward approved recommendations and embed them into normal business.
4. The Group Membership is at the Annex. It is a pity that the House of Lords did not participate, not just because many of these issues concern both Houses, but also because a bicameral approach will be needed for their satisfactory resolution.

PURSUING THE MOST SIGNIFICANT BENEFITS

5. Issues identified fall into two areas:
 - **Strategic Direction**
 - **Prioritisation**

Strategic Direction

6. The lack of a long term Parliamentary programme showing key events and dependencies means that we cannot be confident that we are focusing on the benefits of greatest potential importance. The contribution of each project to our strategic priorities is difficult to assess.

Recommendation

7. *The 3-5 year strategy map use internally by the Office of the Chief Executive should be further developed, and linked to the programming and planning functions in Estates and PICT. Project benefits should then be linked to House strategic objectives.*

Action OCE

Prioritisation

8. We lack mechanisms to ensure the systematic prioritisation of investment. Programmes and projects should be launched with full consideration of:
- Their impact on other programmes, initiatives and normal business.
 - Their relative priority in relation to other activities.
 - How conflicts with other existing programmes or initiatives will be resolved.

Recommendation

9. *There should be a systematic and coherent process for prioritising and launching projects. This process could be owned by a Parliamentary Investment Approvals Board should we establish one, and within the Commons the Resource Management Group (RMG) is well placed to provide a co-ordinating role.*

Action OCE

Note - the process would involve:

- *Establishing high level criteria for prioritisation.*
- *Scoring all current and future projects and initiatives against the criteria.*
- *Establishing where lower priority activities are competing for financial or human resources (or both).*
- *Making decisions regarding lower priority activities (abandon, do later, do differently).*
- *Repeating the exercise regularly.*

IDENTIFYING BENEFITS ACCURATELY

10. Issues:

- **Corporate Focus**
- **Defining Benefits**

Corporate Focus

11. There is a lack of corporate focus on the importance of Benefits Management, and an inconsistent approach to Benefits Management and project reporting across Parliament.

Recommendations

12. *A Benefits Delivery Champion (BDC) should be nominated, to establish a consistent and corporate approach to Benefits Delivery. The role would include leading on the co-ordination and development of Benefits Management guidance across Parliament; providing guidance to the Estates and PICT programme offices; and the co-ordination of a comprehensive training programme.*

Action Boards

13. *The Houses should formalise Benefits Management requirements and actively embed appropriate disciplines in the organisation, in accordance with OGC and Association of Project Management (APM) best practice.*

Action BDC

Defining Benefits

14. Benefits are often not fully or well defined in business case submissions.

15. Non-financial benefits are often loosely expressed, and not subject to rigorous assessment.

Recommendations

16. *The Houses should introduce a standard Benefit Profile (addressing the identification and specification of benefits, both tangible and non-tangible), as a mandatory requirement for all projects, in accordance with OGC guidance. Profiles should be established by the project leader, and the SRO should own and deliver the overall set of benefits.*

Action BDC

17. *All benefit stakeholders should be identified and engaged (or effectively represented) from the outset, including those that are internal to the House (such as MPs and staff), and those that are external (eg the public and media), and specified in the Benefits Profile.*

Action BDC

18. *Stakeholders and business owners should sign off the benefit profile to acknowledge their responsibilities.*

Action BDC

19. *Stakeholders should work together in defining and agreeing benefits.*

Action BDC

SUCCESSFULLY DELIVER BENEFITS IN THE FACE OF RISK

20. Issues:

- **Corporate Ownership**
- **Approval Processes**
- **Responsibility and Accountability**
- **Project Oversight and Management**

Corporate Ownership

21. There is a lack of portfolio management capacity across the Houses.

Recommendations

22. *Our projects should be delivered through a portfolio management approach, in order to optimise the relationship between programmes; create consistency in tracking and measuring benefits; and ensure that benefits are linked to strategic Business aims.*

Action Boards

23. *SROs, Project Leaders and Project Managers should actively work together to achieve Corporate Benefits as well as individual programme benefits.*

Action BDC

Approval Processes

24. Business Cases are submitted individually to Finance Directors and then to the Accounting Officers: the Management Board, as a whole, is not always involved in considering major investment decisions.

25. The process of approval is often perceived as being slow, potentially jeopardising the timely delivery of the project and its benefits. But approvers still find business cases to be weak or incomplete, and are often given inadequate time for their consideration.

26. Business case approval will generally commit resources to a project and allow tendering activity to take place; contract award will then require a further submission to the approving authority. Guidance is available on business case preparation, but not on the preparation of the final financial commitment submission.

27. The current system of delegated authority does not always ensure that decisions are made at the most efficient point or that actions are taken by the most appropriate person.

28. The approval process is cumbersome, with paper documents taking time to travel from person to person.

Recommendations

29. *All business cases should be subject to peer review and challenge by an appropriate stakeholder group, before submission.*

Action BDC

30. *Significant business cases should be considered and discussed either at the Boards themselves, or by an alternate body constituted appropriately for the purpose. The Boards (or the PIAB, should it be established) should actively challenge investment decisions and satisfy themselves concerning benefits.*

Action BDC

31. *Approval requests should be scheduled in advance, and project plans must allow adequate time for consideration and approval.*

Action BDC

32. *Our Business Case guidance should be supplemented by instructions on the requirements for investment commitment submissions.*

Action BDC

33. *Complete clarity should be given in Business Case approvals on precisely what is being approved (ie the time / cost / performance envelope); how and where the required resources will be allocated (ie to whom the costs will be delegated, and under what terms); and what the tolerances for re-submission are to be.*

Action BDC

34. *An electronic, workflow approval system should be established, perhaps using Sharepoint sites, to facilitate the approval process while maintaining configuration control over documents concerned.*

Action BDC

Responsibility and Accountability

35. There is a lack of clarity on the respective responsibilities of line managers, SROs, project leaders and project managers.

36. There is a lack of accountability for the delivery of the benefits for which investment has been made.

37. SROs are often appointed without the whole project life cycle in mind. And a lack of experience amongst some SROs and other senior stakeholders results in project managers being inadequately challenged.

Recommendations

38. *The definitions of role responsibilities in place, or being developed, within various Departments should be standardised and incorporated in House guidance.*

Action BDC

39. *The specific delivery responsibilities allocated to project managers, leaders, directors and SROs should be systematically and rigorously reflected in PDMs, for the purposes of both recognition and accountability.*

Action BDC

40. *SRO appointments should be carefully considered, and agreed at Management Board level.*

Action Boards

Project Oversight and Management

41. We do not have an established competency framework across the House for those involved in project management. The delivery of benefits, through the commitment of Parliament's resources, is often therefore the responsibility of officials who are not equipped to fulfil their role.

42. It is not always clear under what system a project is to be managed (Managing Successful Programmes (MSP); PRINCE; local instructions). As a result, systematic delivery techniques are not always applied.
43. Project reporting formats are not standardised across (or even within) both Houses. This makes it difficult for senior management to maintain an overview of benefit delivery performance and risk, and undermines assurance.
44. Benefit realisation cannot be the responsibility of only the project or programme manager alone. There needs to be a partnership approach between the managers delivering change and those delivering day to day business.

Recommendations

45. *Business cases should allow Approving Officers to review the structure of the proposed project team, to ensure that it is adequately resourced with the skills and experience needed to deliver high quality outputs.*
Action BDC
46. *A competency framework should be introduced, and applied, to ensure that officials with responsibilities for project approval, oversight, delivery or monitoring are appropriately trained and qualified.*
Action HRMD
47. *Business cases should specify the project or programme management discipline that is to be applied.*
Action BDC
48. *Recognising that programmes and projects vary to a great degree, there should nonetheless be, as far as is practicable, a standardised reporting format.*
Action BDC
49. *Where appropriate, programmes and projects should include a Business Change Manager (following MSP processes), or adopt an equivalent approach. SPIRE has created individual plans for each benefit in order to ensure that they can be managed from within the programme's life cycle and beyond; Off Site has appointed Workstream Sponsors to its Board to provide robust and continuing interfaces with normal business. Business cases should state which approach is being used.*
Action BDC

MEASURE AND REPORT BENEFITS ACHIEVED

50. Issues:
- **Ongoing Commitment & Closedown**

Ongoing Commitment

51. There can be a lack of ongoing commitment after delivery: some benefits typically come after project closure. And rearrangement of management structures and responsibilities can obscure responsibility for delivery performance. This can result

in lack of commitment to achieve the full range of benefits, and no personal sanction for failure to successfully deliver a project or programme.

52. There is no process to ensure that benefit delivery is assessed against the intent of the sponsoring business case.

Recommendations

53. *Sponsoring DGs should ensure that, should a project be wound up before its full range of benefits have been delivered and reported, a continuing commitment – for instance to the Business Change Manager role detailed in MSP processes – is established under business as usual arrangements.*

Action DGs

54. *Recognising that various Departments have arrangements in place for conducting Post Project Evaluations (and / or Gateway 5 reviews), a Parliament wide discipline should be established to ensure that benefit realisation is mapped against business case intent for all projects, and reported through our performance management systems (the balanced scorecard in the case of the Commons).*

Action BDC

John Borley
Group Chairman

[s.40]
Group Leader

ANNEX A

BENEFITS DELIVERY WORKING GROUP – Membership

John Borley	D F (Chair)
[s.40]	D R (Working Group Leader)
Richard Ware	PICT
Betty McInnes	DIS
Janet Rissen	DR
[s.40]	PED
[s.40]	PED
[s.40]	OCE
[s.40]	DCCS (Secretary)

HOL were invited, but did not attend