PUBLIC HEALTH REFORM OVERSIGHT BOARD (Paper 2.3)

PROGRAMME AND PROJECT MANAGEMENT

Purpose

1.   To discuss progress on developing early programme and project management arrangements to effectively guide the reform work in the months ahead.

Background

2.   The complexity of establishing any new public body means that no step by step process can be rigidly applied. In each case, the approach taken is shaped by the context within which a particular body is to be established and the specific strategic and operational requirements which apply.

3.   The Oversight Board are considering a range of discussion papers that will help to define the preferred Target Operating Model.

4.   **With this in mind, the views and comments of the Oversight Board on the approach presented here are welcomed. Specifically:**

> 4.1   To note the creation of an Executive Delivery Group to provide the necessary day to day governance and challenge needed to progress the programme through to the next Oversight Board in January 2018.

> 4.2   Review the issues identified for the Scottish Government / COSLA and the new body set out at paragraph 3 and identify any additional issues and logic gaps.

> 4.3   Discuss the formation of three initial projects looking at 'Target Operating Model, Data, Resources and Engagement', 'Corporate / Shared Services and Accommodation' and 'Governance Arrangements' (Annex A) and provide a steer on the outputs you would expect to receive from these projects when you next meet in January 2018.

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Proposed Approach

1.   Ensuring appropriate management methods and related governance are planned and robust will be essential in order to deliver this specific reform to time, cost and quality. Recognising that the programme is early in its lifespan and represents the process of reaching a final preferred option and related blueprint, the arrangements articulated here are appropriately generic and high level. While the programme outcome is the delivery of a new public body, the nature of the decision path means that there is wide discussion yet to take place about linkages between national, regional and local service design. The arrangements described here should therefore be considered as relating to what will need to be put in place initially in order to allow the preferred option to be taken forward from this point on.

2.   There are four distinct phases to the forthcoming transition process:

Planning

2.1   Specifying the key tasks which need to be undertaken and identifying and managing related risks, to allow the transition to take place and ensure it fulfils its potential.

Implementation

2.2   Carry out key tasks in accordance with a plan to achieve the transition and related benefits. Reviewing and updating the risk register and transferring ownership of 'live' risks to the new body.

Integration

2.3   Bringing the systems and services of the predecessor bodies together, assigning workforce divisions and developing a single culture around a shared understanding of the aims of the new organisation.

Realising Benefits

2.4   Translating the changes resulting from the new body into expected and unexpected benefits.

3.   Planning and implementation is a complex business and requires strong and permanent leadership from as early as possible in the process to make important decisions on priorities, resources and the strategic direction of the new organisation. Those leading the delivery of the new body will have to address many challenging issues. The table below describes some of these in more detail.

Issues for the Scottish Government and COSLA to Address	Issues for the New Body to Address
Setting the strategy for the new organisation in line with government policy	
• Ensuring that the new arrangements sit within a cohesive vision of national, regional and local roles	• Putting a vision in place for the new body • Identifying a good structure for the

and responsibilities • Setting a clear and realistic timetable for the transition • Developing any necessary legislation and receiving parliamentary approval for it • Clearly communicating the rationale for the new body to the merging bodies and stakeholders • Identifying the expected benefits of the new body and how they will be measured and reported • Scrutiny and challenge	new body and a plan to make it happen • Developing specific strategic objectives • Focusing on maintaining and improving services during and after the transition • Developing and adopting effective performance measurement and reporting systems

Establishing a governance and management structure

• Appointing the Chair, Board and Chief Executive (where this is not the responsibility of the merging bodies) • Promoting sound governance and accountability • Promoting links between the new body and its partners	• Ensuring sound Board-level governance is established and maintained, including sufficient emphasis on risk • Appointing the Chief Executive (as appropriate) and a capable senior management team, with clear roles and responsibilities and ensuring their effectiveness

Establishing an effective staffing structure

• Identifying the estimated costs of changes to staffing structures and terms and conditions • Scrutiny and challenge	• Identifying the right skills and people needed to deliver services • Transferring staff and matching them to roles in the new body • Workforce planning, including the design of any necessary schemes to allow staff to leave the organisation voluntarily (e.g. through early retirement or voluntary redundancy) • Negotiating changes to terms and conditions (e.g. pay, pensions, relocation) • Providing induction and other training and reskilling when needed

Establishing a single distinctive organisational culture

• Promoting shared goals	• Breaking down barriers between predecessor organisations • Communicating the values and objectives for the new body to staff and stakeholders • Ensuring staff are engaged and motivated throughout the change process • Promoting shared goals

Managing finances

• Setting and transferring the budget for the new body • Identifying and reporting expected costs of the new body and expected efficiency savings • Scrutiny and challenge	• Matching the new body's priorities to the available resources and securing value for money • Identifying, managing and reporting actual costs of the new body • Planning, delivering and reporting actual efficiency savings • Aligning financial systems from predecessor organisations • Asset management and disposal (i.e. property, vehicles, IT equipment)
Communication and engagement	
• Keeping all interested parties informed of developments and allowing them to express their views	• Keeping all users, staff and other stakeholders informed of developments and allowing them to express their views

4.   The initial arrangements described here largely respond to the question of achievability and recognise the significant delivery capabilities and management strategies that will be needed. The following aspects are all within scope and this list will be extended as the programme develops:

4.1   Agreeing the status and structure of the new body;

4.2   Agreeing what aspects of transition are in and out of scope and what aspects should be delivered pre-2019 by the programme and post-2019 by the new body;

4.3   Agreeing the priority and pace of change for each in-scope element;

4.4   Agreeing the related transition budget;

4.5   Identifying personnel requirements for operations, governance and assurance of the new body;

4.6   Designing and delivering the corporate services, IT systems and operational arrangements for the new body;

4.7   Migration of existing delivery arrangements into the new body;

4.8   Advice to stakeholders on implications of the new body.

Methodologies

5.   The programme will use Managing Successful Programmes (MSP) for programme governance and PRINCE2 for project-level governance. Delivery methodologies will be appropriate to the nature of each project.

6.   A first stage for the programme was to initiate a 'Lessons Learned' activity where individuals with project and programme experience within the public sector of similar transition arrangements shared their (relevant) 'Gone Well' and 'Not Gone Well' experiences. These findings are presented as a separate PHOB paper.

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Programme Governance

7.   The Senior Responsible Officer(s) are accountable for the programme, ensuring that it meets its objectives and realises its expected benefits. They lead the Oversight Board and are empowered to direct the programme and take decisions. They are also responsible for supporting the joint National and Local Government political decision making needed to progress the reform work.

8.   The Oversight Board help to drive the programme forward by providing advice, guidance and specific resources to the SROs. The Oversight / Programme Board reports to the SROs and helps to define acceptable risk, agreed boundaries in relation to cost, impact and benefits and resolve strategic and directional issues between projects which may need the input and agreement of a senior stakeholder.

9.   To support the Oversight Board, an Executive Delivery Group is being established to ensure there is appropriate sponsorship and ownership of the day to day reform process, working within the wider parameters set out by the Scottish Government and COSLA. They will have responsibility for the following range of actions:

   9.1   Risk and opportunity management;
   9.2   Commercial management;
   9.3   Financial management;
   9.4   Stakeholder engagement (including Trade Unions);
   9.5   Change management and issue resolution;
   9.6   Quality management;
   9.7   Service and technical design assurance (including user experience);
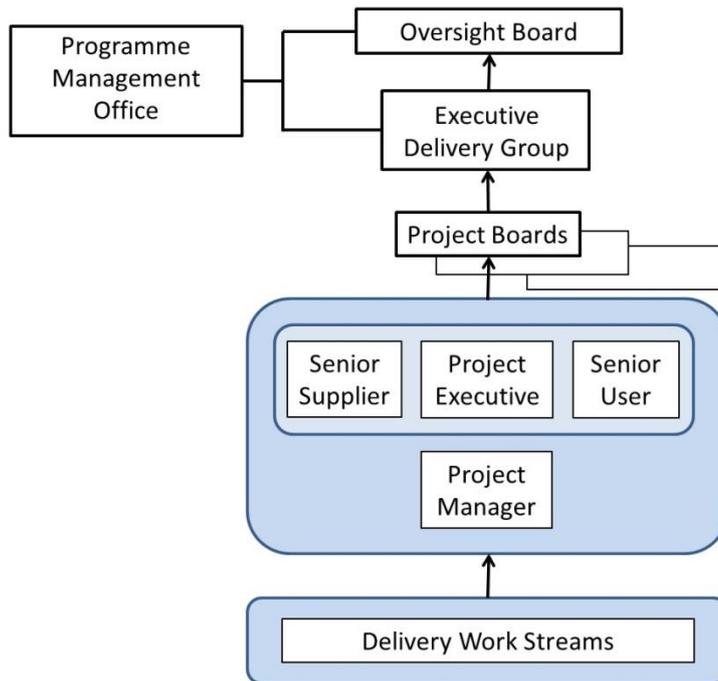   9.8   Resource and asset management.

10.   The Executive Delivery Group will be led by individuals who can fully represent all those with an interest in the programme and whose activities will be affected by the programme. The immediate challenge for the Executive Delivery Group is developing programme and policy thinking around vision, governance, accountability, scrutiny, funding, key appointments, workforce, transition and benefits.

Project Governance

11.   The Executive Delivery Group will be supported by a programme management office and will have a direct line of enquiry to individual project boards who will be responsible for commissioning / de-commissioning activity in line with the delivery needs of the programme. Each project board will comprise a project executive, a senior supplier and a senior user and will be supported by a dedicated project manager and related work-stream resources. See Figure 1 below.

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Figure 1: Programme Management Overview

12.   The programme has acquired a programme manager to lead the programme office and will shortly need project leads in areas such as 'target operating model, data, resources and engagement', 'corporate / shared services and accommodation', and 'governance arrangements' to begin the processes of design, communications and due diligence.

Benefits Realisation

13.   The optimal way to identify short and longer-term benefits is to engage key stakeholders who can provide different perspectives on where such benefits might be realised.   These perspectives and insights, collated by a Business Change Manager, can then be categorised in a number of different ways to allow the Oversight Board to analyse the overall mix and ensure the programme will deliver its intended consequences.

Post Project Evaluation

14.   Post Implementation Reviews will be undertaken as part of both the Lessons Learned and any Gateway review process.

Programme *Plan (timescale and key milestones)*

15.   A plan is being developed around the following 6 stages (see Annex A):

    15.1   Stage 0 – Programme Initiation and Set-Up
    15.2   Stage 1 – Defining Programme and Related Planning
    15.3   Stage 2 – Implementation

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OUTLINE PROGRAMME TIMETABLE

Planning - specifying the key tasks which need to be undertaken and identifying and managing related risks, to allow the transition to take place and ensure it fulfils its potential

STAGE	TYPICAL ACTIVITY
Stage 0 – Programme Initiation and Set-Up (*June 2017– September 2017*)	• Programme start-up documentation • Establish Oversight Board • Establish Executive Delivery Group • Outline priorities framework
Stage 1 – Defining Programme and Related Planning (*October 2017 – December 2017*)	• Build out business case, options appraisal and design operating model (including organisational structure) • Develop detailed programme delivery plan • Discovery - undertake related impact assessments and due diligence activity • Final priorities framework • Gateway Review 0

Implementation - carry out key tasks in accordance with a plan to achieve the transition and related benefits. Reviewing and updating the risk register and transferring ownership of 'live' risks to the new body

STAGE	TYPICAL ACTIVITY
Stage 2 – Implementation (*January 2018 – October 2018*)	• Draft and lay necessary legislation / SSIs • Undertake Board and SMT appointment process • Undertake other necessary recruitment activity • Undertake all other transition arrangements i.e. governance and accountability, location and accommodation, workforce and payroll, shared services, assets, corporate documentation, corporate systems, finance, procurement, banking, accounting, etc.
Stage 3 – Readiness Assessment (*November 2018 – December 2018*)	• Gateway Review 1 • Communications

Integration - bringing the systems and services of the predecessor bodies together, assigning workforce divisions and developing a single culture around a shared understanding of the aims of the new organisation

STAGE	TYPICAL ACTIVITY
Stage 4 – Integration and 'Go Live' (*January 2019 – March 2019*)	• Appoint Board and Chief Executive • Intensive communications • Transfer staff and assets to new body

Realising Benefits - translating the changes resulting from the new body into expected and unexpected benefits

STAGE	TYPICAL ACTIVITY
Stage 5 – Programme Closure / Benefits Realisation (*April 2019 onwards*)	• Handover programme to permanent staff • Lessons learned captured • On-going benefits measurement • Gateway Review 2

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Example Project 1 – Target Operating Model, Data, Resources and Engagement

Target Operating Model	Knowledge management and transfer
Staff numbers and staff structure	External recruitment of corporate staff
Recruit Board and Chief Executive	Engagement plan, communications and marketing
Training and development	Induction – board and staff
Terms and conditions	Launch events
Legislation	

Example Project 2 – Corporate / Shared Services and Accommodation

IT network	Hard and soft ware
Telephony	Office equipment
Location	Intranet
Websites	HR – policies, pensions, payroll, trade unions
Procurement	Financial services
Legal services	Business management systems
Correspondence and complaints handling	Whistle blowing

Example Project 3 – Governance Arrangements

Business documentation	Policies and processes
Contingency planning	Framework document / agreements
Financial management – policy, banking, etc.	Code of conduct
Register of interests	Standing orders
Scheme of delegation	Audit and risk arrangements
Internal audit arrangements	Financial and budget monitoring
Fraud	Corporate planning – vision and values, plan, etc.
Risk management – framework, register, etc.	Memorandums of Understanding
Information sharing agreements	Information and records management – FOI, data protection, SIRO, IAO, etc.