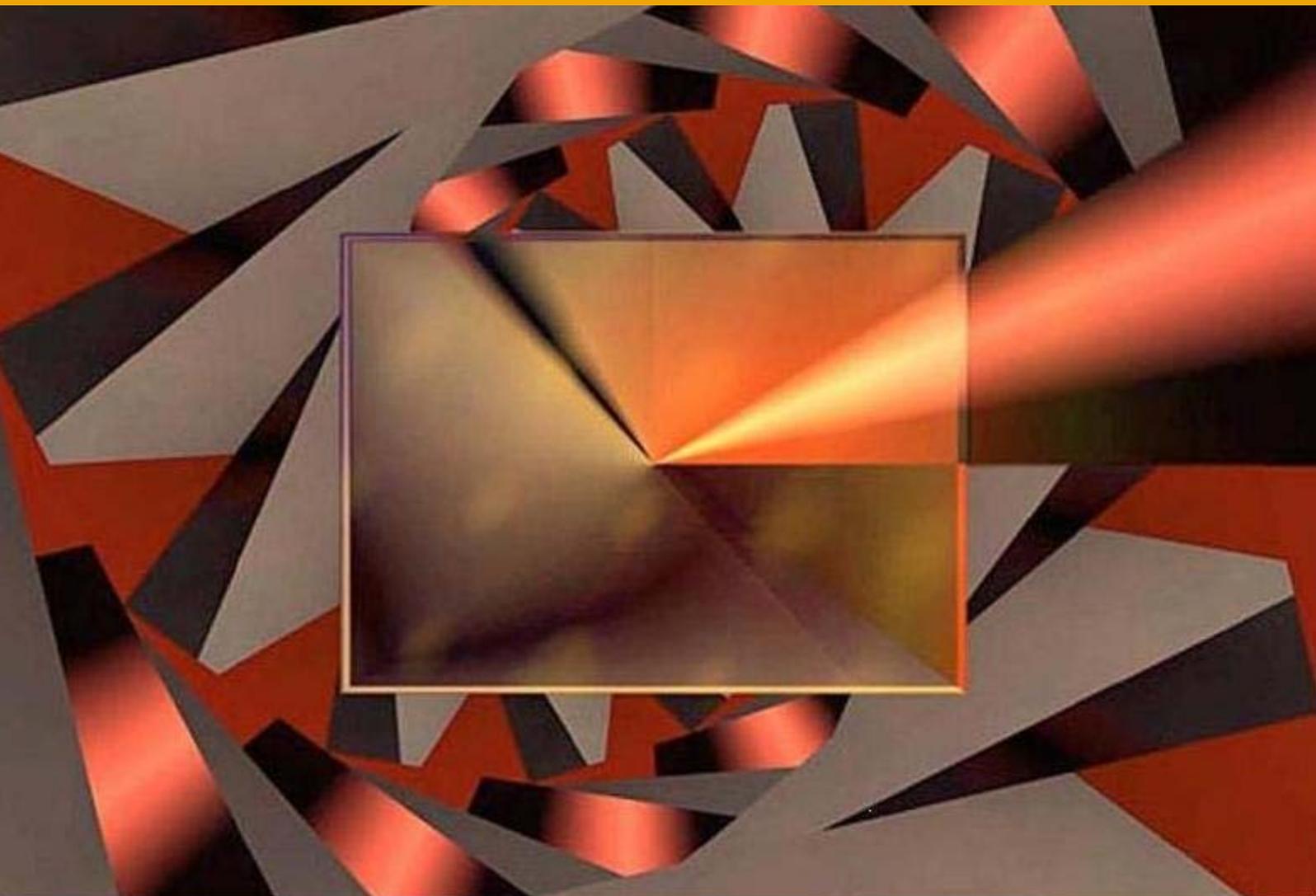


Case Study

Chester City Council

The First Steps in the Implementation of Project Management into a Local Authority



Capacity Building Programme

Supported by Communities and Local Government

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Overview

The article that follows is a review of the steps we in Chester City Council have taken as we embark on our journey to project and programme management. Steps were certainly taken, some were halting and tentative, some so polished they appeared effortless. And there were many occasions when we leant heavily on our friends. But we're still on our feet and this month we'll be starting to roll out our Project Management method across our authority.

As with anything worth doing, there were lots of reasons for getting started. By considering the conditions and objectives that sparked our project into life we will help readers to identify factors they can use to their advantage when implementing Project and Programme Management for themselves.

By involving diverse interest groups within the authority we created a demand for our project. This gave us feedback from representatives in different services. Without the active support of partners at neighbouring authorities and the regional organisation, NWeGG, we would have struggled to get this far. By identifying the attributes of those who helped us, we will help the reader to find stakeholders and partners within their own environment who might give similar support.

By reviewing our journey, the reader will be able to judge whether what we produced might contribute to their own process. By sharing our experiences and illustrating lessons learnt the reader will benefit from our short cuts and avoid the cul-de-sacs.

At the end of the document you'll also find our recommendation for the five most important actions.

The most important lesson

I am looking at a single page print out. It's the first draft of a process diagram, an overview of the tailored approach to PRINCE2 developed by a group of Officers from Chester City Council and some of our local Partners. I'll never be a graphic designer so it lacks style and it's a first draft, just thrown at the page – but it records the key processes, decision points and outputs for Chester City Council's project management method on a single page. I can't say I thought that would happen when I first opened the PRINCE2 manual three months ago.

I have used this diagram to describe the whole project lifecycle to colleagues who would never use expressions like *Checkpoint Report* or *Off-Specification*. And they understand what it is for and what it might achieve. Some try to position their own projects within it. Most say it is common sense. Pass the same officer the PRINCE2 manual and the conversation takes a different turn. After a couple of pages of 'Project Start-Up notifications' and 'Activity Estimates' interest starts to tail-off. Eminently sensible these concepts may be, common they are not.

So, PRINCE2 can be off-putting to the casual reader – if you're considering implementing it in a local authority you know that already – so why labour the point?

The point is worth making because it illustrates a fundamental lesson that we have learned from developing our method – you have to **create the desire** because it won't happen on its own.

But if you can build something that everyone can relate to, where the benefits are clear and appealing, someone will start to want it. And that's vital. Why? Because the most important lesson we have learned is this -

YOU CAN'T DO IT ALONE.

You need to win over individual officers and groups within your own authority. Officers from other authorities can make a huge contribution too. We benefited from involvement with regional and national groups and we're just a small district authority without extravagant resources. If they helped us, they'll help you too. So go and find some friends.

In the beginning...

What began the process? A shared method of project management is a quest that has been pursued through the corridors of Chester City Council more than once. It was first brought to ground in the early 1990s when officers working in Property Management produced a complete system of guidance documented in an accompanying handbook. It was developed, in part, to provide a visible method of accountability and focused on prescribed outputs which meant that it insisted on completion of forms at particular stages. This method, while bringing consistency to the project controls, did not readily accommodate the different types of project work that might take place in the many services controlled by the Council, and lead officers outside the property management area found that they were frequently constrained by the process. While the method was a distillation of hard won experience and current best practice, it was not adopted across the organisation and ultimately fell out of use. Officers involved in the creation of that method now recognise that the inflexibility of the system was its downfall, stressing that any new system should have the capacity to accommodate the differing requirements of the diverse projects undertaken today.

So maybe it began again with the Audit Commission whose review of Chester's project management arrangements identified a number of areas where improvements could be made to the way that smaller projects could be controlled. The report is complimentary but it highlighted some areas for improvement:

Chester can further develop its project management arrangements by developing:

- *its project methodology framework*
- *arrangements for sharing current good practice*
- *formal training arrangements.*

This report put project management method on the corporate agenda. It highlighted the need for a method that would incorporate existing successful practices and form the basis for a training programme and a standardised method.

Another motivating factor emerged from discussions with other authorities within the region. Chester has an IT partnership with Crewe & Nantwich and there are many examples of joint working with other authorities in the region. Officers working on these projects would, by necessity, apply different working methods to project work. They placed an extra burden on individual officers who would undertake unnecessary work to reconcile these alternative methods and procedures within a single project. A shared methodology for delivering projects would have a positive impact on joint initiatives. Crewe & Nantwich and Cheshire County Council both expressed an interest in collaborating on a shared approach.

At the same time that Chester City was digesting the Audit Commission's recommendations, a project team was formed with the aim of strengthening systems and procedures for the projects under the IEG (Implementing e-Government) umbrella. Some members of this team had gained experience of implementing projects run under PRINCE2 in other organisations, and they had direct experience of the advantages that could be achieved by adopting a formal project method.

In particular, the team wanted to focus on:

- improved control of how projects were authorised – making sensible decisions about priorities.
- improved control of finances and resources with a better focus on balancing budget, clarifying what was allocated and monitoring spending with improved visibility on resource requirements
- improved focus on a number of projects where the deliverables were better defined than the benefits.

Realising these objectives within the e-Government area was a worthwhile objective and the project might have been implemented in one department only but for the interest and energy of Chester's Performance Management Group.

With a little help from our friends

The Performance Management group aims to promote best practice in all areas of the authority. It approaches this brief with enthusiasm, energy and blend of skills drawn from across the authority.

The group collaborated with the project team to develop a Business Case for implementing Project Management across the organisation. The recommended option was to adopt PRINCE2 project management methodology, tailored to the needs of Chester City Council, and put in place an appropriate project management framework.

Lesson learned

Take the first opportunity that you can to involve other officers from outside your service area. At worst you'll learn that what you're offering isn't appealing (and it needs to be). At best, you'll find an ally, or even a champion.

Even in a relatively small authority, it isn't always possible to track every initiative going forward outside your own service. By building the Business Case for Project Management with Chester's Performance Management Group the project gained a vital boost. By accessing that network, the team were able to engage with an element of the organisation charged with delivering recommendations for changes to corporate behaviour. Effectively the project was lifted out of the e-Government silo and thrust out blinking onto the corporate stage.

It wasn't all champagne and roses, however. The Performance Management Group appreciated the benefits that PRINCE2 could deliver but had reservations about the method and its potential to generate paperwork over performance. Not for the last time, the risk / reward assessment came down in favour of the project team.

Whatever their private reservations about PRINCE2, many of the group agreed to participate in the development of our own, tailored approach – taking the view, perhaps, that it was better to work with the project and ensure that the worst excesses of paper-pushing could be curtailed.

Some members of the group suggested an alternative method of project management far simpler than PRINCE2. It's a common reaction and you may not always win this fight. The most effective counter to this argument is metaphorical. Let's say you buy a piano. Even if,

to begin with, you only have the confidence to play the white keys, you'll still be able to play simple music. Then, when you're ready to start playing more eloquently the black keys are waiting for you. You would never play Chopin if you bought a piano with only white keys.

If you settle for a solution that limits your ambitions at the start of the process you might find it hard to grow. PRINCE2 has a maturity model that sets out a roadmap for an organisation to evolve. You may well begin at level 0 but the chances are that you won't stay there forever.

Through involvement with the group, it became much easier to influence corporate change. You will be able to identify the equivalent group in your organisation because they are almost certainly the officers working on Comprehensive Performance Assessment (CPA) improvement. Identify these officers and you have a direct route to your organisational culture.

Lesson learned

Sharing your ideas early is a good thing. Yes you are advocating a bold change – but that kind of organisational shift can only happen when you have support from areas outside your own. And Yes, PRINCE2 can be a hard sell – but you don't have to swallow it whole. Start with manageable chunks. That is what Chester's project team did, although that hasn't always been perfect as you will see.

The Business Case was approved as a corporate initiative and funding to develop the method and framework was authorised by the Connecting Chester Co-ordination Group – a board with delegated Cabinet authority to control funding for e-Government projects. This board would also be the initial testing ground for the method.

PRINCE2 by stealth

'Connecting Chester' embraces a diverse group of projects set on delivering a range of different outcomes. Bringing together project managers from across the authority is an effective mechanism for sharing ideas and reporting progress. Administering the meetings was challenging, however, as different project managers would each have their own style of reporting to the Board and attendance at the meeting was not mandatory.

Without consistency of reporting, project progress was hard to monitor. To overcome this issue and to test the ground for a PRINCE2-style project methodology, the project management team introduced the use of Highlight Reports for each of the projects, and incidentally introduced 'management by exception'.

The Chester Highlight Report is divided into five sections:

- progress since last meeting
- planned progress to next meeting
- risks or problems
- an update on current spending against budget
- an update on current timescales against predictions

In fact the format of the report is evolving and, since this was first drafted, the first section has been split into two parts:

- plans in last report and progress against them
- other progress since previous report.

Crucially, the project manager must give the report a traffic-light status:

- **Red:** *high risk that timescales will not be met or forecast costs will exceed budget*
- **Amber:** *medium risk that timescales will not be met or forecast costs will exceed budget*
- **Green:** *if timescales will be met and costs will be within budget.*

What works well

Using the traffic-light system it was immediately possible to see which projects were in need of direction or attention and to start to identify reasons for slippage against targets. Only red and amber reports were taken to board meetings and so 'management by exception' flowed naturally from the use of this report.

By making these reports mandatory, there was an immediate improvement in consistency of reporting.

Forty to fifty projects could now report on a consistent basis across a regular time period. Where previously one project report might have been a brief set of bullet points, the next a group of slides, and yet another a fifty page document, the Highlight report brought consistency to reporting styles.

Reducing administration meant that the meetings could be held more frequently. Running these project meetings once a month is a significant advantage for the team coordinating the IEG outcomes.

What we could improve

Using the current system, the Project Manager is responsible for assigning the traffic light status for their project. Only amber and red status projects have to appear at the meeting to account for progress. If, for whatever reason, the Project Manager is reluctant to appear at the meeting, there is a natural temptation to overlook setbacks or hiatus and to choose a green status for a project where amber may be more appropriate.

The Highlight Report itself is not necessarily at fault here – this failing can be more effectively addressed by modifying the behaviour of the Project Managers with training and the introduction of a formalised method, allowing more mature practices to become the norm. Strengthening of quality assurance for projects will also support accurate assessment of status.

Our new Project Management Method has a single product description for all project reports including the Highlight Report. This may encourage Project Managers to be more reflective when completing their reports rather than recycling the template.

Lesson learned

Introducing isolated elements of a PRINCE2 style method will have limited results. In terms of maturity it will be hard to progress beyond level 0 without a unified method. However, it can be a very good way of introducing 'mature' behaviour patterns while a formal method is established.

Making the Business Case

In parallel with the development of the Highlight Report, the project team developed a Business Case for implementing project management. The options considered were

- to develop a method based on a tailored approach to PRINCE2
- to implement an alternative method
- to carry on without a shared method of project working.

The case was made for a project management method on the following rationale:

- to maximise the likelihood of successful delivery of individual projects and the Connecting Chester programme
- to ensure controlled and appropriate use of resources available
- to improve project delivery through lessons learned in monitoring costs and evaluating benefits delivered.

The tailored PRINCE2 method was the recommended option as it brought key areas of concern into focus and offered proven methods for improving them. Within PRINCE2, planning is the primary focus of the initial stages and the budget would only be released following the approval of a detailed plan. The potential to bring greater control to these areas had been highlighted as a key requirement. PRINCE2 scored higher than the alternatives in other areas too, particularly the focus on product-based planning which increased conformity with customer requirements when delivering project outputs. Another aspect that won favour was the facility within the PRINCE2 method to effectively monitor project progress so that support and direction could be offered in a timely fashion, providing time to implement solutions effectively.

There was an extra benefit of taking this business case to the Connecting Chester Co-ordination Group as the structure of the Business Case was adopted as the standard for all future projects reporting to that Board – another step towards consistency.

The Business Case that the project team developed is available for review as a worked example.

With a little *more* help from our friends

The project gathered extra impetus when members of the project management team presented the Business Case that was developed for Connecting Chester to NWeGG (the North West e-Government Group).

The group thought that the Business Case was sound and there were many requests for copies, including one from the Business Case strand of the Strategic Support Unit. This

group provided some very constructive suggestions for improvement relating to quantification of benefits.

The team also gained a network of contacts amongst authorities who had already implemented PRINCE2 and were at varying degrees of maturity.

If you can find another authority that has already embarked on this journey you will find them a hugely valuable ally. Whether you would like individual support, the opportunity to exchange ideas, a sounding board or a sanity checker, the chances are that they'll be happy to help you and share their experiences. They may even have products that they are willing to share with you or let you try out.

The encouragement and guidance we received from Manchester & South Lakeland through involvement with NWeGG gave us the confidence to develop our own PRINCE2-based method and carried us through times when our progress faltered.

Closer to home, we were inspired by Ellesmere Port & Neston who coaxed us to try to do a one page diagram of our method. Warrington shared their method with us and later joined in on some of our training development. Crewe and Cheshire joined us too in our training and in our 'tailoring workshop' to our mutual benefit – you can't have too many friends.

Lesson learned

Beg, borrow and steal everything you can. The Chester Project Management Method is all about tailoring PRINCE2 to suit your own requirements, but that process can be enhanced by trying out another Authority's products – walk around in someone else's clothes for a while and you'll find out what suits you and what doesn't flatter. At worst it will help you to refine your own products.

Eat your own cooking

As a result of the connection with NWeGG the project team were invited to contribute to the ODPM Capacity Building Programme. As Chester's project was being run according to their own tailored PRINCE2 method, the management products for the project illustrate both the method and the development of the project. The Business Case, the Plan, all the project reports and logs are available in the e-capacity website for review and possible inspiration.

Developing the method

So now it's March 2004. The project team had an approved Business Case and some good allies. They were in good to shape to develop the method.

It was already decided that the team would develop a tailored method rather than full PRINCE2, but officers would need some context for this method. Even if we weren't starting with full PRINCE2 we might get there one day, so we needed to ensure a base level of understanding.

The team decided the best way to do this was to raise awareness to the 'Foundation' level at least. And, since officers were being trained to that level, it made sense to include the examination in the training. They would then get something concrete from the time they were committing.

Once again, the Performance Management Group supported the project team, providing a group of officers willing to rise to the challenge. Partners in other authorities also volunteered to take part in the training. Once the training was complete, the team would have a group of switched-on, PRINCE2-literate officers' ready to shape the method through a 'tailoring' workshop'.

Now the project team needed a training organisation to provide the Foundation workshops and a consultant to work on the method, tailoring it to Chester's needs. The team considered the training options: instructor-led courses or Computer Based Training (CBT). Initially they went for instructor-led courses as there was a preference for a human contact rather than the impersonal. Subsequently, the team experimented with CBT, as the costs seemed to be more manageable and it gave busy officers the flexibility to work when it suited them. Should Chester host the training or should officers travel to pre-arranged courses? We had twenty-four officers to train, so, for the instructor-led courses it made sense to do them in-house in two groups of twelve on days that suited us.

Lesson learned

They sound like pretty simple decisions to take but it took us about three months to select a training organisation then book and rollout the training. Why? Coordinating training takes **a long time**. Trainers are in demand.

Also – the project team lost a key member, a temporary outside contractor. The aim was to extend his contract as the project progressed. He received an offer that couldn't be refused which meant that the team was without a Project Manager.

Lesson learned

It takes a whole lot longer than you think to implement project management so if you are allocating a resource, make sure that it is secured for a manageable period.

When replacing the Project Manager, the team resisted the temptation to recruit a PRINCE2 veteran. In fact, they went to the other extreme - the new team member's first day at Chester was spent on a PRINCE2 foundation course.

Was this naive? Possibly yes, but there's something to be said (in terms of handling change management), for cultivating a sense that we are all on a journey of discovery. A steely-eyed PRINCE2 professional might have alienated officers in the way that a Newbie never would.

Lesson learned

You don't really need a PRINCE2 veteran and it might even be better to find a 'natural' – an experienced Project Manager would be great if you can spare one, but if you can't, find someone who will 'get it' and send them on a course.

Lesson learned

Play to the strengths you have – don't fret about your weaknesses. We used our naivety as an asset that let us learn quickly and make great benefit from collaboration. Find what works for you and do it.

Why did we use a consultant?

Despite our collaborative strength, there were times when we needed to have cast iron credibility – for example our first 'tailoring workshop' and our pilot 'Chester method' training course. It will also be essential as we roll out awareness of our method to the management team and Members.

The right consultant can give your project credibility. If we were going to persuade experienced project officers that their methods could be improved we would need someone with the breadth of experience to illustrate their arguments. Similarly, we needed to convince Members and management of the validity of our proposed scheme. And sometimes there's no substitute for a CV that includes multi-national organisations.

Lesson learned

Don't set your heart on getting your training and your consultancy from the same organisation. Chester's project team got very close to doing exactly that and it would have been a mistake. Chester's experience suggests that a consultant working for a company that focuses on training will be happy to advise you on the development of a tailored system that system will bear more than a passing resemblance to the full system that the company delivers in its training sessions. This is not necessarily the same as the system that suits your organisation the best. The alternative was to split the two services, which is what we did by using a training organisation to get our

The chosen consultant had extensive experience of helping organisations to tailor PRINCE2. Through a workshop involving friends from inside and out, he helped us generate the feeling that what we created on that day belonged to Chester and would complement our existing practices. As a result of this work, the project team based many of the product descriptions for key documents like the Business Case around existing documents like Cabinet Reports. This re-use and modification of existing business documents will help to embed the new method across the organisation.

Developing the handbook

To document our new method, the project team produced a handbook. This began life as an ill-starred attempt to reduce the 450 pages of *Managing Successful Projects with PRINCE2* to 30 pages. When circulated for review, it provoked little response as its purpose was unclear – it was neither punchy enough to be a practical tool nor detailed enough to be a satisfactory work of reference. Radical changes were rapidly made and the guidance handbook was reduced to some simple process diagrams with product descriptions for management products. The project team feel that a practical handbook is better suited to the needs of an organisation at Chester's current level of PRINCE2 maturity.

Chester's method is a tailored version of PRINCE2 and so the handbook also sets out the terms and references for the project method. It promotes a common vocabulary for project management to be shared across the authority and an understanding of the role that pre-existing local reports can play in the new method. A standard Cabinet Report might be used in conjunction with the handbook's product description to create a project brief.

Templates v product descriptions

While producing the handbook, the product team had to resolve the tension between product descriptions and templates. With a template you can get into the 'box-checking' mentality. Product descriptions for Management Products can be liberating – they can also be interpreted. If a project manager feels that they can produce the required output using an e-mail, or a PowerPoint Presentation using the 'Composition' as headings then they should. They can also make Project Managers think about quality. Using product descriptions in this way allows project managers to embrace the product-based spirit of PRINCE2 rather than simply filling in forms. It's the same difference as between 'by heart' and 'by rote'.

Lesson learned

If you're going to produce guidance – stick to the method. Produce a process diagram. Explain the process, then go straight to product descriptions. Illustrate them with examples but think carefully about using templates. They're great for communicating the method but a product description has more to offer once the concept is understood.

Rolling it out

In January 2005 the project team began working on a training package for project managers. It will introduce Chester's 'tailored' method but it assumes foundation-level familiarity with PRINCE2.

The first group of officers to achieve the PRINCE2 accreditation were thoroughly coached in an intensive, three-day instructor-led course. Feedback from this experience was mixed, with some officers expressing reservations about the intensity of the course which focused on preparation for an examination. As an alternative to the instructor-led training, we selected a CBT package and have introduced the facility to stage PRINCE2 Foundation Examinations on site.

The project team is also working with the Human Resources service area on a lighter package that will introduce the method to line managers taking part in the corporate management development programme. Like the Project Manager course, this one day session includes an element of 'softer' skills: influencing, negotiating and motivating others.

The final training package will brief decision makers on the roles and responsibilities of the Project Board. It will be delivered by our consultant to our senior management team and Members. We hope to use this as an opportunity to promote a supportive and nurturing attitude to the efforts of our developing Project Managers.

Where we are

At the time of writing, the project team has run three project management training sessions, refining and improving content after each course. The first trainees were members of the 'tailoring' team and once again the project team benefited from their feedback.

And finally – a risk!

We have moved a long way down the line without significant member involvement, though all Members on the Connecting Chester Group, including the Portfolio Holder for e-Government and ICT, have been very supportive. The 'officers first' approach was born out of nervousness that early versions of our process could be perceived as bureaucratic – that it would act as a brake on progress rather than an accelerator if it was presented to busy Members before a roadworthy version was tested. To counter that possibility we are producing high quality briefing sessions. As these will be delivered by a vastly experienced, high profile PRINCE practitioner – and our consultant is the Chair of the PRINCE2 User Group - we think that we can carry the day.

Wish us luck.

If you only do five things...

1

Make friends – you won't do it on your own. Find internal allies to help your organisation adopt the changes. Network with other authorities as much as you can.

2

Steal everything you can – and try it out for yourself. You'll only learn from the experience. You won't adopt everything.

3

Give yourself time – it will take longer than you think to implement project management.

4

Get yourself a full time Project Manager. This project requires a vast amount of networking, influencing, communicating and scheduling.

5

Develop your own method – find out what works for you and make it your own.

This document should also be read in conjunction with: [A Case Study – Aligning the Roles and Responsibilities to the Decision Making Process – Chester City Council](#), which is available from the [Capacity Building website](#).

