

EAST AYRSHIRE COUNCIL

POLICY & RESOURCES COMMITTEE – 8 FEBRUARY 2006

ASSET MANAGEMENT – PROJECT MANAGEMENT ARRANGEMENTS

Report by Executive Director of Development and Property Services

1. PURPOSE OF REPORT

- 1.1 To advise members of the Council about arrangements required for Project Management under the new Asset Management Arrangements, and following on from a report produced by the Councils External Auditors, Price Waterhouse Cooper.

2. BACKGROUND

- 2.1 As part of the Councils Asset Management Arrangements it is necessary to strengthen the arrangements for Project Management within the Council, for major projects. In addition PWC, the Councils External Auditors, have conducted an audit of our Project Management Arrangements, and also made recommendations that, particularly for larger projects, the Project Management discipline within the Council should be strengthened.
- 2.2 Members are also advised that the Scottish Executive recently issued guidance in respect of projects for which they are directly responsible. While this does not apply to the Council, the principles involved are the same as those required for our own Project Management arrangements, and are therefore incorporated into Council procedures through both the proposed option appraisal arrangements, and to strengthen project management arrangements.

3. PROPOSED PROJECT MANAGEMENT ARRANGEMENTS

- 3.1 PWC's Audit was based on a comparison of two similar schools projects, one completed, at Auchinleck, and one in progress at Galston. The report finds a need for better project management discipline within the Council and recommends the adoption of a formal project management methodology, such as Prince 2 (Projects in Controlled Environments) within the Council for major projects. This would require for new projects;

- Producing a Formal Business Case;
- Establishing a Project Initiation Document;
- Establishing a Project Board;
- Establishing a Project Team;
- The use of a Risk Log for each Project;
- The use of an Issues Log for each Project;
- Developing Project Plans;
- Conducting a Formal Post Implementation Review

- 3.2 It should be noted that, in the great majority of cases, these steps are already in operation within the Council, and that it is simply proposed to formalise them, where necessary. In addition a separate report on investment option appraisal also covers some of the same ground and will assist in strengthening the project management discipline.
- 3.3 In some cases officers across the Council will require training in all or part of the Prince 2 methodology. Arrangements for this have been put into place, and this training, which is readily available externally, can be provided in future, as required. Training will be funded from existing budgets.
- 3.4 Members are asked to note that this matter has also been the subject of discussion with the Councils Auditors, through the Risk and Audit Scrutiny Group.
- 3.5 The Councils Corporate Management Team have considered , and are supportive of the context of the report.
- 3.6 The proposals will also assist in dealing with the Councils co-location proposals with other agencies.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications for the Council other than for training which will be funded from within existing budgets.

5. POLICY / LEGAL / COMMUNITY PLAN IMPLICATIONS

- 5.1 The revised Project Management Arrangements, for major projects, will assist the Council in its Asset Management arrangements, as required, and in turn will play a key part in the delivery of the Councils Community Plan.

6. COMMUNITY PLANNING

- 6.1 No direct implications.

7. RECOMMENDATIONS

- 7.1 It is recommended that the Committee;
- (i) Note that Project Management Arrangements within the Council, for major projects, are being formalised and strengthened, and that the necessary training is being provided.

James Lavery
Executive Director of Development and Property Services
27 January 2006

BACKGROUND PAPERS

Nil

Any person wishing to inspect the background paper listed above, or discuss this report should contact James Lavery on 01563 576591

Implementation Officers: James Lavery