

Management Board Paper

Delivering business change through ICT in 2010-11

A paper from the Director General, Information Services and the Director of PICT

Executive Summary

Parliament has decided to undertake a large number of major programmes/projects involving ICT. At the same time there is a very large programme of change in other areas. The scale of the work involved in delivering programmes/projects in 2010-11 raises questions about the capacity and capability of the administrations to deliver the overall portfolio of programmes alongside other initiatives. The purpose of this paper is to outline the background to the attendant risks and to set out options for the Management Board to consider for dealing with them. A parallel paper is being submitted to the House of Lords Management Board.

Actions for the Board

The Management Board is invited to discuss the risks raised by the large number of major programmes/projects being undertaken (section 2) and to consider actions for mitigating those risks (section 4).

1. Background

- 1.1. Parliament has launched a large number of major programmes/projects involving ICT. On 11 February PICTAB held an extraordinary meeting with the Senior Responsible Owners (SROs) of all the major programmes/projects involving ICT.¹ The meeting focused on: the impact of those programmes/projects on PICT; the total impact of changes resulting from programmes/projects on the business; the effect/impact on individuals in the business; and the role and responsibilities of the SRO.
- 1.2. That meeting was useful. It highlighted that we face a number of challenges in implementing the agreed programmes. Of course, in the limited time available, the meeting did not provide the answers to how we deal with those challenges. However, the meeting helped senior managers to consider the issues together in a way that we had not done previously. In particular, the meeting demonstrated that we currently have a difficulty establishing a clear overview of (i) the totality of the work involved in delivering the agreed programmes, and (ii) the total impact of their delivery. We draw this matter to the attention of the Management Boards because we want to ensure that Parliament has the capacity to handle (i) and (ii).

¹ Namely, the Archives & Preservation portfolio of projects, the Core Parliamentary Information Management Framework (CPIMF) programme, the Digital Preservation project, the Facilities ICT programme, the House of Commons HR & Finance ICT programme, the Infrastructure programme, PICT's Members' ICT programme for the General Election, the Procedural Data programme, the Public Information portfolio of projects, the SPIRE programme, the Telecoms Services programme and the Web and Intranet programme.

- 1.3. PICTAB agreed that we should present a paper to the two Management Boards on delivering business change through ICT in 2010-11, in order to set out the nature of the risks related to the portfolio of agreed programmes involving ICT and to set out options for the Management Boards to consider for dealing with those risks.
- 1.4. Given PICTAB's remit, the meeting with SROs in February focused on programmes/projects involving ICT. However, staff in the two Houses will also have to deal with many other initiatives in 2010-11. To give a few examples:
- For staff in Commons DR, they might be asked to take part in IPSA transfer, prepare and manage election work, take part in design for HAIS and work on SPIRE file management. And also take part in savings projects and in IM/record management audit action plan. And plan the impending office move to Tothill Street. And on top of all this, do their usual day work. Similarly, staff in the Lords Finance Department will have to deal with the additional demands of the administration of members' expenses, taking part in the design for HAISL, work on SPIRE file management, IM/record management, planning a move back from Tothill Street and savings projects.
 - In PED staff might be involved in the transformation programme and staff action groups, savings projects, any one or more of 6 projects in the ICT programme, and do SPIRE file management and records management action plan as well as their day work. In HoL Facilities there are also the accommodation work streams and the large Millbank site project to consider.
 - Information Services staff might be involved in inter or intranet project work, additional business involvement is required in at least two active projects in the Public Information Portfolio of work as well as any one of the current seven projects that are active through the 09/10 tranche of the big CPIMF programme and for which there will be more project work streams launched in April 10 as part of the second tranche as well as savings projects, SPIRE and the election. In addition HoC staff are actively engaged in planning their impending office move to Millbank. In HoL Information Services the picture is similar with the addition of extensive Record Office project activity.
 - Procedural staff in both Houses will be busy inducting new Members and at the same time managing the day-to-day hectic activity of a new Parliament which may be sitting for more days, as well as managing reputational risks. At the same time, they will be involved in projects and initiatives such as SPIRE and records management audits and savings programme.

2. What are the risks?

- 2.1. The risks we highlight in this section relate to the following corporate risks from the House of Commons Corporate Business Plan 2010-11: corporate risk 3 (Disruption to the work of the House or other services as a result of an IT breakdown or the failure to develop IT systems to meet business needs) and corporate risk 6 (Loss of reputation and/or financial loss through a failure of a major project or change programme to deliver the expected benefits in line with the planned investment agreed in the business case).
- 2.2. **Risk of insufficient business leadership of programmes.** A number of parliamentary projects and programmes underwent OGC Gateway reviews in 2009 and 2010. A number of recommendations from those reviews were common across

programmes/projects. Among those, Gateway review teams expressed concern about the 'part time' nature and experience of some SROs. Some of the major programmes involving ICT are headed by an SRO who also has a significant day-to-day operational role; many SROs have not received specific training in the role. A way to mitigate this risk might be to increase the number of full-time programme directors (such as already exist for the SPIRE and Savings programmes).² The programme director role exists where circumstances dictate that someone needs to perform some of the duties of SRO on a day to day basis. The role provides the interface between programme ownership and delivery. The programme director is someone from the business acting as the representative of the SRO, providing leadership and a single focal point of contact with the programme manager for the day-to-day management of the interests of the business.

- 2.3. Risk of insufficient dedicated business involvement to ensure delivery of programmes in accordance with business requirements, including insufficient benefits management.** Gateway review teams reported a perceived difficulty in defining, managing and measuring benefits. Whilst John Borley has established a working group on benefits delivery, more could be done to mitigate this risk. A reason for the comments in Gateway reports might be that very few of the major programmes involving ICT have identified a programme-level 'Business Change Manager' (BCM). According to Managing Successful Programmes methodology, responsibility for realizing a programme's benefits (such as changes to business processes) lies with the BCM. A BCM is traditionally an individual "with ongoing operational responsibilities within their business area", because whilst a programme is responsible for delivering certain outputs (e.g. a new IT application), the realization of the programme's desired outcome (e.g. a more efficient business process as a result of using the IT application) can only be achieved by those in the business.³
- 2.4. Risk of insufficient project management/support or ICT staff.** This risk is mitigated by the increase in the dedicated staff working on programmes involving ICT. In 2009-10, PICT required over 100 project staff/contractors to support the ICT programmes planned by Parliament. In 2010/11, this figure is set to increase by 85 to over 200 in order to deliver the scale of programmes and projects agreed by the two Houses.⁴
- 2.5. Risk of a lack of clarity across projects about their requirements for PICT's resources creates a risk that there will be unmanaged overlaps in calls on the time of staff in PICT.** This risk is mitigated by the resource planning initiated by PICTAB (see paragraph 3.1 below).
- 2.6. Risk of a lack of clarity about the timing of workloads across all initiatives spread across all services creates a risk that there will be unmanaged overlaps in calls on the time of staff in the two Houses.** This risk is almost

² The governance structures for certain other programmes include a part-time role to take on some of the SRO responsibilities.

³ The MSP manual describes the BCM's responsibilities as "defining the [programme's] benefits, assessing progress towards realisation, achieving measured improvements, and monitoring performance. This need to define and realize benefits in terms of measured improvements in business performance means that the BCM must be 'business-side' in order to provide a bridge between the programme and business operations."

⁴ This increase includes an extra 20 contractors to allow for election support.

certain not to be uniform across the business. However, without the programmes and projects themselves estimating how and when their programmes will impact on the business and the business resources (both time and people) they require for delivery of outputs and delivery of benefits, it is difficult to assess where the 'hotspots' are likely to be. The resource planning underway to assess the impact of the programmes on PICT (mentioned in paragraph 3.1 below) could be extended to cover the demands that the programmes will make on staff in the business. It is not clear that SROs know the total cost of their own programmes or that programme business cases were realistic about the true costs of programmes (particularly whether costs borne elsewhere in terms of requirements on staff time had been calculated and included). There would be benefit in calculating the business resource required to deliver each programme (ie the number of people days required of those in the business in order to specify requirements, document processes, test, train, implement new processes, etc.). Whilst each programme could do this individually and submit the results to departmental business delivery managers, it would be more efficient for someone to collate and analyse the submissions and forward the result of that exercise to the business. Central or coordinated planning would help to ensure that all initiatives are assessed at a high level for work impact on staff in the two Houses so that clashes could be avoided.

2.7. Risk of a lack of alignment of the various business-led ICT programmes. In May PICTAB took note of new ICT requirements emerging from the business and from Members resulting in requests for new programmes/projects involving ICT in 2011-12. It is difficult to prioritise between competing calls on budget, time and resource across Parliament, and this difficulty appears in particularly sharp relief in the current financial situation.

2.8. Risk of a lack of clarity about interdependencies between programmes. Gateway reviews reported that whilst programmes manage dependencies within their own area the dependencies at a more strategic level were not actively managed. There would be benefit in understanding more fully and mapping the consequences of the planned programmes and the interdependencies between them.

2.9. The key question is what appetite the Management Boards have for these risks.

3. Mitigating actions already underway

3.1. A number of mitigating actions have already been initiated:

- PICT has introduced a Total Cost of Ownership model, which aims to improve cost estimations in business cases through a new tool and process changes which help to determine delivery and ongoing support costs of products and prompt the inclusion in business cases of i) all resource (eg collaborating technical teams); ii) all programme/project stages (eg testing); and iii) ongoing support costs once projects/programmes are closed.
- Resource planning: PICTAB has asked all programmes and projects involving PICT resources (e.g. development, applications support, architecture and design, technical services, support from the PMO) to submit a resource plan to the PICT programme management office by the end of June. However, the risk

remains for staff in the two Houses who may be impacted by a range of initiatives.

- Programme and Project sponsorship training (a first pilot course has been held; two further courses are planned before the summer recess)
- Managing Successful Programmes training (12 PICT staff trained as MSP practitioners last year; following the PICTAB meeting with SROs over 100 people across the two Houses and PICT are to attend a one-day MSP overview course, which will be run in-house for groups in June)
- PRINCE 2 project management training (19 PICT staff have been accredited over the past 12 months, and a further 6 are to attend the training this month)
- OGC Gateway review training (more than 20 staff attended training in April for accreditation as a Gateway reviewer)

3.2. Such mitigations are helpful in terms of raising awareness across Parliament of project disciplines, and they should have long-term beneficial effect. However, they do not mitigate the more immediate risk to delivery of business change through ICT in 2010-11.

4. Options

4.1. There are a range of broad options for how the Management Board may wish to respond to the risks outlined in section 2 above in order to ensure delivery of the agreed programmes, including the following:

- Do nothing and accept the risks.
- Do less. More might be achieved by attempting less – for instance, either by prioritising current programmes/projects or by calling a moratorium on programmes/projects that have not yet had a business case approved.
- Increase the business investment in the current programmes involving ICT (for example, through actions such as providing more training along the lines outlined in paragraph 3.1, making training mandatory, or having dedicated business change managers and more full-time programme directors as explained in paragraphs 2.2 and 2.3). It is not clear how such an increase in investment would align with the savings programme, unless it is focused on a priority area (and at the expense of spending elsewhere).
- Establish a corporate portfolio office to undertake coordination and scheduling work between programmes, based on the organisational strategy. (We explain and discuss portfolio management in the Annex.)
- Provide resources for some such coordination/scheduling work to be done, based on high-level resource planning by the programmes, but without establishing a new office.

4.2. We recommend that the Management Board rejects the 'do nothing' option. In our opinion, it would be unwise to take no action in response to the risks identified. If the Management Board accepts that further mitigating action should be taken, the question is what action(s) it wishes to instigate to mitigate the risks identified.

- 4.3. No area of expenditure can be ring fenced from savings. The savings programme will be reviewing all current investment plans and we suggest that that process be followed through rather than making any recommendation of our own in this area, save to note that the business cases for the programmes we are considering have been signed off by the accounting officers, they reflect requirements from the business and from Members, and we should remain committed to delivering them unless and until the requirement for savings calls us to take a different view. In addition we do not consider that there should be a moratorium in agreeing new programmes currently being prepared for approval, where these proposals have the potential for future cost saving, risk reduction or cost avoidance. The Finance Officers, however, consider that, regardless of the likely requirement to deliver savings, there is considerable advantage in opting to do less. These are matters for the savings programme and the planning round. The Board will need to return to this issue.
- 4.4. Whatever the outcome on finance, it will be essential to have a clear overarching vision for business-led ICT work (grounded on the Board's emerging strategy). A business-focused paper encompassing all the programmes currently underway and also looking forward is currently being prepared by the Group on Information Management and will be submitted to the Board in June.
- 4.5. In addition, we propose that:
- the Chair of PICTAB encourages all SROs of programmes involving ICT to consider rebalancing the cost profile in the programmes to increase the level of business investment to reduce risks to benefits delivery; and
 - a bicameral corporate portfolio office be established within existing resources to take an overview of the coordination and scheduling of all bicameral programmes and projects.
- 4.6. If the Board does not consider it appropriate to establish a bicameral corporate portfolio office at this stage, we propose that PICTAB take a more active role in the coordination/scheduling of only those programmes involving ICT.

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19 May 2010

Annex: Portfolio management?

1. Whilst Parliament is developing and professionalising its programme and project management, we have not yet adopted a process for deciding the overall shape of and managing our 'portfolio' of programmes.
2. One distinction between portfolio management and programme/project management is that portfolio management is about doing the right things, whilst project and programme management is about doing those things right. It is important for the Management Boards to know that the programmes and projects being delivered in Parliament are the right ones for Parliament. The OGC defines portfolio management as being designed to ensure that "the 'right' programmes and projects are started and the 'wrong' ones are not (or are stopped if already underway). The right programmes and projects are those that collectively make the greatest contribution to an organisation's strategic objectives and targets."
3. Adopting portfolio management would be a big step. The OGC guidance is clear that an organisation cannot implement portfolio management without what it terms a Portfolio, Programme and Project Office. This concept is relatively new – it was launched by the OGC in October 2008 – and is still being rolled out. The Management Boards might want to consider further what model to adopt for a parliamentary Portfolio, Programme and Project Office. For example, whether Parliament's portfolio management function should be provided through a single new office or be provided through a linked set of offices (eg a new joint/shared portfolio office or a new central portfolio management function sitting in an existing office, together with the existing programme offices in PICT and PED), including temporary offices (eg functions that support specific programmes, such as the SPIRE programme management office).
4. The Management Boards have to be clear about their strategies before adopting portfolio management. The OGC stipulates that a "prerequisite to effective portfolio management is the existence of an organisational strategy that contains well-defined and agreed strategic objectives with associated targets and measures." It might be appropriate to assess programmes and projects against emerging strategies for the two Houses in the new Parliament.
5. It might be considered premature for Parliament to establish a portfolio office at this stage, although we suggest that such a function may be required in the future. In order to assess when such a development might be appropriate and how to prepare for such a change, the Management Boards may wish to commission a review of Parliament's capability to manage portfolios of programmes and projects to report by the end of the financial year. That timing would allow any recommendations from the review to inform the 2012-13 planning process. The OGC's Portfolio, Programme, and Project Management Maturity Model (P3M3) provides a framework with which organisations can assess their current performance and put in place improvement plans. This maturity model is designed to assess organizations' current capabilities and through a gap analysis to help them to implement change and improvements in a structured way. The aim would be to deliver a development plan for how Parliament can improve its portfolio management ability.