



<b>Report for:</b>	Cabinet
<b>Title of report:</b>	PMO (Project Management Office) Resource Funding
<b>Date:</b>	12 <sup>th</sup> July 2022
<b>Report on behalf of:</b>	Cllr Graeme Elliot, Portfolio Holder for Corporate Services
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	
<b>Background papers:</b>	
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	PMO – Project Management Office HTIP – Housing Transformation and Improvement Programme

### Report Author / Responsible Officer

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<b>Corporate Priorities</b>	Ensuring efficient, effective and modern service delivery
<b>Wards affected</b>	All
<b>Purpose of the report:</b>	To provide Cabinet with an update on PMO resource and to request permission to draw down £170k from the Council Management of Change reserves, and to allocate an additional £80k of HRA funding to temporarily resource additional PMO resources.
<b>Recommendation (s) to the decision maker (s):</b>	<ol style="list-style-type: none"><li>1. To note the update on PMO resource</li><li>2. That Cabinet recommends that Council approves the funding of £170,000 to temporarily fund the</li></ol>

	<p>General Fund PMO while permanent resource is planned and implemented.</p> <ol style="list-style-type: none"><li data-bbox="820 226 1455 421">3. That Cabinet approves a one off 22/23 reallocation of £80k of funding HRA budget from the Revenue contribution to capital to the HRA HTIP programme.</li><li data-bbox="820 443 1455 638">4. That Cabinet retrospectively agrees to set aside the commissioning and procurement standing orders to approve the award of the temporary PMO contracts each valued above £75,000.</li></ol>
<b>Period for post policy/project review:</b>	

## 1 Introduction/Background:

A paper outlining the requirement for a dedicated Project Management Office was brought to the Strategic Leadership Team (SLT) in January 2022. Following SLT approval, a short procurement exercise was completed, and an agency, 31ten, was appointed in February 2022 to:

1. Utilise existing templates, training opportunities and communications material to establish a clear project methodology across Dacorum.
2. Collate the Project Register, develop a prioritisation matrix and work alongside Directors to prioritise projects across Dacorum.
3. Establish clear structures for project oversight and ensure project documentation is stored in one place with reporting mechanisms to the Strategic Leadership Team.
4. Resource a PMO reporting into the Head of Transformation and the Strategic Director for People and Transformation.
5. Lead the development of resource proposals for this to ensure that the established PMO is sustainable.

This procurement exercise was previously referenced in a February 2022 Cabinet Report, which highlighted the need to bring in temporary resource to establish initial programme and project reporting and oversight, and to support the interim Strategic Director for People and Transformation to plan and resource a permanent PMO.

This Cabinet Report also requested a drawdown of reserves in order to create the Head of Transformation role on a two-year fixed-term basis, this was approved in February 2022.

### **Key Issues / Proposal:**

As outlined above, a key element of the temporary PMO was to support the Head of Transformation and Strategic Director in resourcing a permanent and sustainable PMO following the departure of 31ten in early June 2022.

31ten supported the Head of Transformation to re-purpose the Innovation and Improvement Team Leader role (Head of Transformation's substantive post) to a PMO Team Leader role. This vacancy has been internally and externally advertised, with the closure date extended to mid-June to encourage more applications. To ensure rapid progress following the departure of 31ten, this post has been filled with an interim who started on 6<sup>th</sup> June 2022.

In light of the clear need for project management resource to support the Housing Transformation and Improvement Programme (HTIP), Waste Transformation and Commercial programmes, three agency project managers have been brought in on an day-rate basis for 3-6 months to allow for further work to be done to permanently resource the PMO. The total cost of this interim support is around £250k.

In addition to this, the Council has made some further cost-neutral staffing changes to optimise its project management delivery approach:

- The Business Analysis and Service Improvement Lead Officer will be seconded to focus on the HTIP programme, with the aim to backfill this vacancy to provide Business Analyst resource to other programmes and projects.
- The Improvement and Engagement Projects Lead Officer will be transferred to the Transformation Service with the role re-focused to focus on direct HTIP project delivery.
- The Environmental Projects Lead Officer will be transferred to the Transformation Service to support the Climate and Ecological Emergency programme. In addition to this, a more detailed piece of work is underway to understand the resource requirements of the Climate and Ecological Emergency Strategy.

The table below outlines both the existing roles within the Transformation Service and the recommended changes, along with the expected costs for these.

Role	22/23 Budget	Forecast Spend	Variance	HRA Funded
		22/23		
PMO Team Leader	68,120	75,737	7,617	
Corporate Performance Management Lead Officer	53,470	53,470	0	
6 month PM – Housing		80,000	80,000	Yes
6 month PM - Waste		80,000	80,000	
6 month PM – Commercial		80,000	80,000	
Improvement and Engagement Projects Lead Officer	53,470	53,470	0	Yes
Environmental Projects Lead Officer	45,610	45,610	0	
Business Analysis and service improvement Lead Officer	45,610	45,610	0	
	<b>266,280</b>	<b>513,897</b>	<b>247,617</b>	
HRA	53,470	133,470	80,000	
General Fund	212,810	380,427	167,617	
	<b>266,280</b>	<b>513,897</b>	<b>247,617</b>	

### 3 Options and alternatives considered

#### Option 1 – utilise existing DBC officers to deliver programme and project activity

The existing resource is already delivering existing service requirements so is not available to take on the level of additional project co-ordination and implementation activities required needed for programmes such as HTIP, Waste Transformation and the Commercial Strategy.

#### Option 2 – Recruit direct employees

Given the urgency of work needed to support the programmes outlined above, the time required to recruit to permanent project roles would impact the delivery of these programmes. Temporarily filling these roles with experienced interim project managers allows the Council to progress immediately whilst more permanent resource is secured.

### 4 Consultation

This resource plan was developed with support from the interim Strategic Director (People and Transformation) and was reviewed and approved by the Strategic Leadership Team on 8<sup>th</sup> June 2022. It was also provided to the Commercial Board on 20<sup>th</sup> June 2022.

### 5 Financial and value for money implications:

Provisional costs are outlined in the table above. As the above section highlights, other options were considered before the preferred recommendation was developed to procure the additional

resource externally, to allow for temporary project support. This temporary resource will allow the new Strategic Director (People and Transformation) and Head of Transformation to shape a long-term robust PMO to deliver the Transformation Programme, and to support and structure programmes and projects across the organisation immediately rather than to stall progress for months while we recruit. A delay to recruiting additional PMO support is projected to have a significant impact on the financial benefits which will be delivered through the Council's key corporate projects relating to housing, waste and commerciality.

In terms of achieving best value for money, the Head of Transformation approached a number of well-known temporary resource agencies, and they provided a range of candidates with their attached curriculum vitae. There were discussions regarding suitable market rates for the calibre of candidates requested, the level of work they will be undertaking – i.e. high-profile, large-scale transformative programmes, and their level of experience (both from a programme and project management point of view but also experience of the relevant service, local authorities and public sector). Where possible, the Head of Transformation discussed agency rates with the relevant agencies and was able to secure reductions in agency mark-up, in order to secure a lower cost for the Council.

Due to time pressures, it was not possible to go through a full procurement process, as this would take around six months to complete. Advice and support have been provided by the Procurement Team Leader to the Head of Transformation throughout the process to bring in temporary project resource, and advice has been sought regarding the recommendation to put aside the standing orders.

All temporary resource procured via agencies have a short-term contract of six months, and there are break options within the contracts, should the work provided not be to expected level of quality. The Head of Transformation will be regularly meeting with the relevant programme sponsors to ensure that work provided is fit for purpose, and that the project managers are suitably driving forward the programmes they have been brought into support.

## **6 Legal Implications**

There are no legal implications arising from this report.

## **7 Risk implications:**

There is a risk that the time it takes to plan, implement and successfully recruit a more permanent staffing structure could take longer than expected, and that the interim positions could need to be extended, with additional costs associated.

## **8 Equalities, Community Impact and Human Rights:**

There are no equality, community or Human Rights impacts arising from this report.

## **9 Sustainability implications (including climate change, health and wellbeing, community safety)**

There are no implications arising from this report.

## **10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

This decision will enable the temporary recruitment of short-term resource (3-6mths) to allow for further long-term / permanent resourcing to be suitably planned and recruited to.

## **11 Statutory Comments**

### **Deputy Monitoring Officer:**

No comments to add to the report.

### **S151 Officer:**

The request for £170k General Fund, funding is a short-term solution, whilst a medium to long term sustainable PMO structure is created. Given the short-term nature of this resource requirement, the use of general fund reserves and, in particular, the Management of Change reserve is in line with the rationale for utilising this reserve up. The commitment of this £170k from the management of change reserve will result in the Management of Change reserve being almost entirely committed in 2022/23.

The reallocation of £80k of HRA budget from the revenue contribution to capital to fund the PMO resources, reduces the funds put aside for future capital developments.

## **12 Conclusions:**

In order to deliver the significant financial and transformational benefits of the Commercial, Waste and HTIP programmes, it is recommended that the temporary PMO resource be out in place whilst the permanent PMO for the Council is established.