



Llywodraeth Cymru  
Welsh Government

**Board Meeting: 25 January 2013**

**AGENDA ITEM: 5**

<b>Title of paper:</b>	<b>Major Projects</b>
<b>Purpose of paper:</b>	To provide an update on progress for improving assurance for major projects across Welsh Government.
<b>Action required by the Board:</b>	The Board is asked to <b>discuss</b> the progress made to date.
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<b>Paper prepared by:</b>	Richard Wilson Deputy Director PPM Division

## **1. Background**

- 1.1 The Welsh Government is responsible for an extensive range of projects and programmes, including a number of very large high value, high risk, innovative and/or complex schemes. Although the majority of projects are carried out successfully and to good standards, the fundamental issue to address is the lack of visibility, tracking and reporting of major projects to the Board and First Minister.
- 1.2 Following the Board's endorsement of the need for more assurance around major projects, Operations Group endorsed the development of a business case for taking a new approach to assurance of major projects. Operations Group considered the proposals and a number of options of how such an assurance function would operate across the organisation. This paper provides a progress to date on the agreed way forward and the next steps.

## **2. Recent progress**

- 2.1 Operations Group endorsed the need for an independent assurance function as it would help raise visibility of major projects, but felt there needed to be a stronger approach with more emphasis on early intervention and linkages across to departments to provide increased scrutiny.
- 2.2 Further options were developed through engagement with the business and stakeholders and Operations Group agreed a two phased approach to implementation which is detailed in paragraph 3.1.
- 2.3 Work has already begun with some of the major projects and the quick wins already achieved have been closer working relationships with Departments, improved governance, assurance reviews and advice and support on PPM best practice.
- 2.4 Activity is also underway to increase the organisation's capability to deliver on major projects and disseminate PPM best practice; however more work will need to be done to standardise training, processes and guidance. PPM Division are taking this forward through an improvement programme which is already receiving positive feedback from across Departments.
- 2.5 In order to increase visibility and strengthen governance, reporting centrally on major projects will be integrated with reporting to Departmental Corporate Governance Committees (CGCs) in addition to the Central CGC. The Head of PPM Division will be reporting progress at the next Corporate Governance Committee.
- 2.6 Steps have already been taken to identify those projects which DGs consider to be high value, high risk, novel, contentious or cross-cutting.

These have been combined with central intelligence to form an initial list of major projects which will be considered for enhanced assurance and corporate visibility. A first draft of the list was positively received and discussed at Operations Group earlier this month and further meetings are now scheduled with the Departments to ensure the right programmes and projects are included. The draft list is attached for the Board's information at Annex 1.

- 2.7 A portfolio of projects, when agreed, will be continually reviewed and projects added or removed as appropriate. This will enable early identification of issues which would trigger appropriate management intervention if required.

### **3. Next Steps**

- 3.1 This will be implemented in a two phased approach. Some work will start immediately, namely:

- PPM Division will engage with all projects that have been identified as major projects. This will improve the visibility of WG's major projects and over time will embrace all major projects (it should be recognised that this will be a dynamic process and it will not happen overnight but will take time to create a comprehensive list). It will also facilitate closer working relationships with the projects allowing quick wins in implementing PPM best practice and foster a more collaborative approach with Departments.
- raise awareness of the portfolio of major projects through stakeholder sessions, including workshops and presentations to Operations teams, existing Project Management offices and other established networks affected by the change.
- The use of Risk Potential Assessments (RPA) are reaffirmed by the Board as mandatory by Departments intending to undertake projects and programme.
- PPM Division's Integrated Assurance Team will continue to support Departments in completing RPA forms thereby ensuring integrated assurance for all WG projects, this will enable Departments in identifying future major projects.
- PPM Division's Centre of Expertise will provide assistance to departments by offering advice and support in line with PPM best practice and Lessons Learned.
- where skills gaps are identified a range of PPM training will be offered.

- 3.2 Following the Resources review, the resource required for the major projects portfolio will be re-examined and the following additional assurance activities can be introduced to provide improved scrutiny and assurance, namely:

- more formalised governance arrangements;

- the implementation of formal assurance plans for each major project; and,
- the formalisation of project lessons learned via major projects reporting and assurance reviews.

#### **4. Risks**

- 4.1 This proposal recognises the continuing responsibility of AAOs in the management and delivery of their Departmental projects; more importantly, it is not about any transfer of management or delivery responsibility to the centre.
- 4.2 There however remains a requirement for the organisation collectively to manage overall risk on a corporate basis and currently there is a lack of visibility in the progress of major projects where either a reputational or financial risk arise.
- 4.3 Without some system of tracking, monitoring and oversight, the Board, Permanent Secretary and First Minister continue to operate in an environment without a high level picture of major initiatives and investments and the ability to exercise early management intervention to remedy potential problems.

#### **5. Communication**

- 5.1 An internal communications plan will be drawn up moving forward.

#### **6. General Compliance Issues**

- 6.1 There are no compliance issues.

<h4><b>7. Recommendation</b></h4>
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| <p>7.1 The Board is asked to <b>discuss</b> the progress made to date.</p> |
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#### **Publication**

This paper can be published, with the exception of Annex 1 which contains information relating to the formulation or development of Welsh Government policy.

**Date submitted to Secretariat:** 17<sup>th</sup> January 2013