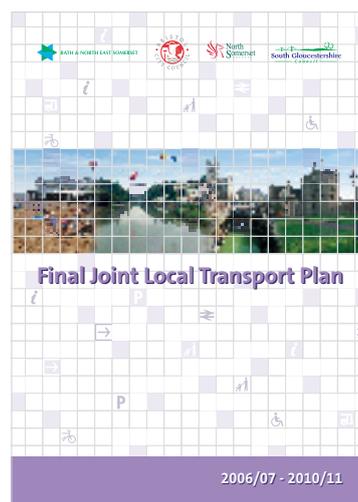


13. Performance Management

Summary

- Delivering schemes on time and on budget
- Management of capital programme
- Management of risk
- Gateway Reviews
- Resource requirements
- Project management and skills development



13.1 Context

13.1.1 We recognise that improving performance is at the heart of everything that we do. It is vital for improving the value for money of the projects we deliver and ensuring that the best outcomes are achieved. This plan sets out the intention to deliver a step change in transport investment. With that comes the responsibility to ensure that mechanisms are in place to deliver the programme on time and to budget whilst ensuring we achieve the objectives and targets set within this JLTP.

13.1.2 Performance management is a core part of the JLTP strategy. A wide range of measures are in place to ensure that continuous progress is made in this area.

13.2 Management of the Capital Programme

13.2.1 By joining forces in this JLTP we see an added advantage in being able to manage the capital programme more effectively. It will enable us to adjust the implementation programme as necessary to compensate for unexpectedly rapid or slow progress in delivery of some schemes and measures.

13.2.2 By close management of the capital programme in the first four years of the LTP1 period the allocations provided to each of the four Councils were fully spent. South Gloucestershire Council was identified as a Centre of Excellence for scheme delivery. We intend to build on

this experience to ensure that the programme of works set out in the JLTP is delivered on time and within budget.

13.2.3 Programme management practices are in place to ensure the JLTP Team coordinates the monitoring and review of programme delivery. At the programme level effective performance management will transform the JLTP strategy into delivering the benefits and targets set out in this plan. A programme approach should be flexible and capable of accommodating changing circumstances such as opportunities or risks materialising. Through close liaison between the four authorities the Joint Team will co-ordinate delivery of the range of work - including projects - needed to achieve outcomes throughout the life of JLTP programme.

13.2.4 A key role of programme management is clearly defining the projects that make up the programme. The projects will have definite start and finish dates, a clearly defined output and a well defined development path; benefits are achieved after the project has finished. Programme management processes will ensure all projects have a business case and are 'health checked' throughout their life cycle to make certain that benefits anticipated at the start will be realised.

13.2.5 Value for money is a key element in developing the implementation programme in Chapter 11. Ensuring ongoing use and development of the two stage assessment process (go to

Chapter 11) will allow informed decisions and the opportunity to withdraw or modify a scheme if it is no longer considered value for money.

13.3 Management of Risks

13.3.1 Working together it will be much easier to manage risks, for example variations in scheme estimates/costs or delays arising from consultation and legal processes, and thereby to maintain a satisfactory overall level of progress. Risk management practices will be applied from programme level down to individual projects.

13.3.2 At a programme level typical risks are associated with acquisition, funding, organisational and cultural issues, projects, security, safety, quality and business continuity. To support this will require programme risk information. Risk management will be triggered at the programme level when:

- Reviewing and reporting programme status
- Reviewing projects against programme and project objectives, goals and performance
- Endeavouring to engage stakeholders in the programme, conducting programme planning or rescheduling key projects that show symptoms of failing
- Preparing for Gateway/peer reviews
- When significant changes are planned or have occurred at any of the other levels – that is, strategy, project, operations

13.3.3 At a project level the general approach to risk management is set out in Box 13A.

13.3.4 Critical to minimising risk will be ensuring the right skills base is in place for programme and project management. Sections 13.4, 13.5 and 13.6 set out the measures being taken so that the right people are in place to test and challenge programme and project planning and ensure risks are assessed and mitigated against.

BOX 13A

Managing Risk- General Approach

Risks occur with all projects and it is important to put in place a robust risk management strategy to allow these to be assessed and planned for. By thorough risk management we can ensure that, wherever possible, risks are designed out in the planning stage. The approach taken to risk management will include:

- Identify and record risks
- Evaluate their potential
- Identify options for suitable responses
- Agree on the preferred response
- Action mitigation
- Monitor and report

Full risk assessments will be undertaken for all projects in excess of £500,000 using independent facilitators. Risk management principles will be embedded across the programme for projects at an appropriate scale for each project.

13.4 Gateway/Peer Reviews

13.4.1 External reviews and health checks of projects are vital in any performance management framework. Gateway and peer reviews are an effective way of achieving this.

13.4.2 Formal Gateway reviews will be undertaken for all major schemes as per the new Major Scheme Business Case guidance issued April 2005. They involve the 4Ps (Public Private Partnerships Programme) leading an external review team of project management experts.

13.4.3 The Gateway process provides assurance and support for Project Owners in discharging their responsibilities to achieve their business aims by ensuring that:

- The best available skills and experience are deployed on the programme or project

13. Performance Management

- All the stakeholders covered by the programme/project fully understand the programme/project status and the issues involved
- There is assurance that the programme/project can progress successfully to the next stage of development or implementation
- More realistic time and cost targets are achieved for programmes and projects
- Knowledge and skills among central and local government staff are improved through participation in review teams
- Advice and guidance to programme and project teams are provided by fellow practitioners
- A key element of the Gateway Review process is the use of independent and experienced reviewers to perform a top down review of programmes and projects.

13.4.4 The reviewers examine project documentation and interview a broad range of people from senior politicians, Directors, stakeholders and those on the project team itself. The outcome is a report with items flagged as Red, Amber or Green.

13.4.5 We successfully underwent a review of the Greater Bristol Bus Network Scheme in October 2005 and considered the process a positive experience, beneficial to the overall strength of the business case.

13.4.6 We have already used the peer review process on a number of projects, including those funded through the European Commission. The principles of both the Gateway Review and peer reviews are to be embodied into the future work programme. The Joint Team will be responsible for supporting future Gateway Reviews linked to internal reviews and will roll out a programme of internal reviews for key stages of all large projects (in excess of £150,000).

13.5 Resource Requirements

13.5.1 Ensuring delivery of the programme and realisation of the benefits set out in this JLTP will be a significant challenge. Transport Innovation Fund development work (go to Chapter 5) and development and delivery of the Major Scheme programme set out in Chapter 10 will require a step change in capacity from project management through to implementation.

13.5.2 We are ensuring that in-house resources are complemented with external ones. The approach developed for both the Greater Bristol Bus Network and Bath Package Major Schemes has been to develop multi-disciplinary project teams. Internal and external staff work jointly as part of project teams with no distinction made about who is the substantive employer. By working in such close proximity the authorities allow internal staff to broaden their expertise and experience and ensure knowledge transfer that will strengthen future programme and project management.

13.5.3 Existing term consultancy arrangements are in place to provide additional resources in feasibility, design, project management, consultation and implementation. The JLTP Team is also securing additional term arrangements with a wider skills base, for example on the legal side, to support the challenging agenda of Transport Innovation Fund development work. By working closely in partnership with term consultants we are confident that anticipated levels of future work programmes can be delivered effectively.

13.5.4 With delivery of large and complex projects it is recognised that sufficient staff resources across local authority work areas and consultancies will be vital to deliver in accelerated timescales. We will continue to work both within the authorities and outside through existing and proposed term consultancy arrangements to develop the skills base necessary to deliver the step change in transport set out in this JLTP.

13.6 Project Management and Skills Development

- 13.6.1 Ensuring continuous improvement in project management skills forms a key part of ongoing staff development within the Councils. Internal programmes of project management development are already in place and key staff across the transport sectors are under regular review to ensure standards are continuously improved.
- 13.6.2 This process is assisted by a 'community of practice' to ensure project managers share their experiences on projects alongside ongoing training programmes. A sub-group of transport practitioners, with both internal and term consultancy project managers, has been established. This group will be widened with external experts to support development of new areas of work, including the Transport Innovation Fund.
- 13.6.3 Ensuring quality standards for major projects is vital. To support this all project managers for both Major Scheme development and delivery will be accredited to Prince2 practitioner standard or equivalent. Project management is increasingly a key part of both staff and consultancy support selection processes. The authorities are exploring new and innovative ways to assess project management capabilities.
- 13.6.4 Wider than project management, the authorities are working with internal and external training agencies and local universities to explore further opportunities for both developing existing staff and bringing new trainees into the authorities.
- 13.6.5 Where external expertise is used the approach is to integrate these staff into the project teams. This approach ensures that through close working within a multi-disciplinary project team the strengths and skills base of in-house staff are expanded and developed.
- 13.6.6 We are proactive at engaging with Government Office and DfT on new or emerging guidance related to performance management. The evaluation guidance currently under development for Major Local Transport Schemes is a recent example of this. It will be critical for us to understand and engage in the development of this emerging guidance to ensure future bids have the strongest possible chance of securing funding.
- 13.6.7 The Major Scheme programme and Transport Innovation Fund aspirations (go to Chapter 10) contained within this plan have the potential for a massive increase in the work programme over the lifespan of this JLTP and beyond. We recognise whilst generally there are staff capacity implications (as set out in 13.5), failure to put in place a robust communications plan is a key risk to the whole JLTP strategy.
- 13.6.8 Throughout the lifespan of a project, from consultation through to delivery, excellent communications (both internal and external) underpin translating the aspirations of this JLTP into delivered schemes on the ground. The Councils and their partnering consultants already have a wide range of expertise in delivering challenging projects and programmes. This was most recently recognised in the Gateway Review report for the Greater Bristol Bus Network bid in October 2005 where the Communications Plan was given particular praise. We will continue to engage in best practice networks both within UK and Europe and through the Transport Innovation Fund development work we will seek to bring in further expertise at appropriate stages.