

PRINCE2 Implementation Project: Achieving Excellence through Employee Development

City of Edinburgh Housing Services

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This project was initiated to enhance the project management capability of the City of Edinburgh's Housing department. The PRINCE2 methodology was adopted with training for personnel and development of an appropriate governance structure for implementation. It has enhanced effectiveness and understanding of the practicalities of project design, management and delivery, and provided professional development opportunities to its staff. The improved procedures have already seen success in the delivery of projects within time and budget.

Introduction

The Housing Service at the City of Edinburgh Council employs 1,300 staff across a diverse range of divisions. As such, it can have a significant number of ongoing projects within its remit. Internal and external factors forced the City Council to recognize that it needed to enhance its project management capability. The training budget for the financial year 2004-2005 set aside an initial budget of £50k for this purpose. Following a feasibility study, the PRINCE2 methodology is being implemented across the Housing Department. The training programme has since been integrated into the council wide Leadership and Management development strategy, which will ultimately increase consistency and delivery of services across the whole council.

Drivers for change

Change was driven by internal and external factors. A number of radical changes were on the horizon for the Housing Department relating to proposed housing stock transfer, the delivery of the city's housing strategy, and the wider Council review of services. The Housing Service Plan acknowledged that "the systems, processes and the way that we do business must change to create an organization capable of delivering Excellence". The Head of Private Housing Services (PHS) within the City of Edinburgh Council Housing Department approached Employee Development (ED) to find out about project management training (and subsequently became the project sponsor). At this time, Housing Senior Management also acknowledged the need to enhance project management capability in other areas of the department. This was largely due to external drivers, notably an increasing pressure to meet the requirements of the Government's 'Modernisation Agenda' and, particularly, the introduction of the 'Best Value Framework'. The project is framed within the statutory framework provided by the 2003 'Local Government in Scotland Act', which exists to secure continuous improvement in the performance of public service organizations.

Aims and objectives

The Housing Service undertook this programme to expand their project management capability and to ensure that projects are managed efficiently, provide best value for customers, and are completed on time and within budget.

Following initial setbacks (see below), the scope of the project changed quite considerably to include the whole of Housing Services. Revised plans were formulated and the objectives of the PRINCE2 Implementation Project were identified as follows:

- To develop a framework that supports the decision of the Housing Senior Management Team (HSMT) to adopt PRINCE2 as the project management standard for Housing Services;
- To provide the support mechanisms to implement and embed the method within the organization.

Methodology

USE OF TOOLS AND PROJECT STRUCTURE

PRINCE2 was identified as the preferred approach and a pilot project to enable its implementation was initiated in June 2004. Given the size of Housing Services, a staged implementation process was required.

Phase 1

The initial budget of £50k was aimed at enabling the delivery of the initial training programme for key personnel involved with the pilot programme. The programme included accredited PRINCE2 training to Practitioner level, Board level and Project Support level. Additionally, it was agreed that consideration should be given to the capacity and infrastructure requirements for implementation. The initial budget, therefore, also funded continued consultancy support to complete a feasibility study, which gathered information relating to management resources, systems, processes and tools to support future roll-out. This recommended PR-02 and a pilot programme of five projects to inform the capacity and infrastructure required for future and wider implementation.

Phase 2

Much of the initial work required to plan the PRINCE2 Implementation Project (P2IP) was identified as part of the feasibility study. An additional budget of £50k was secured to:

- Expand the existing training programme;
- Develop a project management specific intranet website;
- Design protocol to align projects to PRINCE2 and assess learning requirements
- Design evaluation controls;
- Carry out a feasibility study for a centralized project support function and a plan to roll-out training to support the Project Management Approach (PMA – bespoke IT supported training programme based on PRINCE2 methodology aimed at providing project managers with a step-by-step guide to the successful management of projects across Housing Services).

In addition to this, PHS had secured funding of £24k to develop the PMA tool and customize training. This was managed as a separate project within PHS and integrated into the wider agenda through roll-out of the training as a key product of the P2IP.

Phase 3

Implementing a centralized project/programme support function will be the final phase of embedding PRINCE2 within Housing Services. The benefits realized to date have strengthened the business case for establishing a dedicated support function within Housing Services.

Development of a Central support function will:

- Maintain an integrated governance framework;
- Provide continued training, advice and guidance relating to the application of PRINCE2;
- Maintain and provide standards, methods and tools;
- Monitor and measure benefit realization;
- Provide key management information.

TIMESCALES

June 2004 Initiation of pilot project to implement PRINCE2

Jan 2005 Initiation of PRINCE2 implementation project

Jan 2006 Completion of implementation project

Challenges

USE OF TOOLS

The Housing Department was initially unfamiliar with the concept of PRINCE2 or any other structured approach to project management. A staff training programme was implemented to address this issue.

ORGANIZATIONAL ISSUES

At the 3-month evaluation stage, the pilot programme was not progressing as well as planned, due to other high-profile issues being given priority over implementation of the PRINCE2 project (particularly the Housing Stock Transfer). However:

- Following the initiation of the Housing Stock Transfer, the project was revised to address organizational priorities.
- At this point, the scope of the project changed quite considerably to include the whole of Housing Services.
- A new project initiation document was prepared, which captured activities to date and set plans for the future.
- Given the success of the ED unit in delivering the training programme, a new project manager from ED was appointed to drive through the changes required for successful delivery.

Successes

UNDERTAKING AN INITIAL FEASIBILITY STUDY

Much of the initial work required to plan the PRINCE2 Implementation Project (P2IP) was identified as part of the original feasibility study.

USE OF PRINCE2 AS A METHODOLOGY TO FRAME THE PROGRAMME

- Evidence of the application of PRINCE2 across a wide range of businesses and its relationship with the 'Modernising Government Agenda' helped secure Senior Management commitment to adopting this methodology.
- The use of standardized PRINCE2 tools to capture shared information has been instrumental in supporting the communication process with other organizations, involving relevant key stakeholders and achieving the commitment required to drive projects forward for the benefit of customers;
- The PRINCE2 method offers practical tools and methods for effective management of a complex mission critical project initiated through the ongoing council review. It constitutes an excellent method to ensure that key stakeholders are clear about their roles and responsibilities and how they can contribute to successful project delivery.

APPLICATION OF NEW PROJECT MANAGEMENT PROCEDURES

- New services are being created through the application of PRINCE2 across the department. These range from localized initiatives that link to service improvement, to brand new pioneering services such as those aimed at supporting potential customers in the private sector. This has not traditionally been within the scope of Housing Services, and can only be achieved through stakeholder involvement and effective project management. PRINCE2 provides a practical, logical solution to enable service improvement and development.
- One of the most significant organizational initiatives applying PRINCE2 is the 'Services for Communities'. The Housing department is merging with other community services and will change from being 1,300 to 3,500 strong, thus encompassing additional diverse divisions. This is a huge challenge for all stakeholders and a significant change management programme initiated by the ongoing Council review.

Achievements and benefits

INTERNAL PROCESSES

- The uptake of the training programme across the whole Council has increased consistency in project management, and enhanced working relationships across divisions;
- Improvement in communication between individuals, teams and departments;
- Users have a clearer overview of the time required to deliver projects, and of the costs and resources required. The need to identify potential risks from the outset is also appreciated;
- Less time is spent in non-productive meetings;
- There is increased alignment of projects with strategic objectives;
- The culture has changed towards being accountable and focused on outcomes rather than measuring activity.

STAFF DEVELOPMENT

- The accredited training programme supports continuous professional development opportunities in project management;
- Other training opportunities enable the development of potential project management personnel, and the flexibility to develop personal development plans designed for personal achievement in line with business objectives;
- Employees are benefiting through support to work in a more organized way, which improves planning, organizational and communication skills.

SERVICE PROVIDED

- Increased consistency between departments provides an improved service for customers;
- PRINCE2 is helping local and central government to deliver on key initiatives and ultimately ensure that services for customers continue to improve and provide value for money;
- The systems and processes that are being implemented through the P2IP are slowly 'changing the way that we do business' thus realizing the vision set out in the Housing Service plan.

Lessons Learned

- Senior Management commitment/buy in to a more structured approach to project management is essential for successful project delivery at a strategic and operational level;
- Often senior level managers are not exposed to the level of training aimed at project managers and other project management personnel. It is essential that they develop an understanding of the crucial role that they can take in relation to successful project delivery;
- A common perception of PRINCE2 to those not familiar with its business benefits is that it is bureaucratic and time consuming. The project manager has to assume the role of a salesperson to promote PRINCE2 application to management. This can be achieved by demonstrating its strategic benefits such as its effectiveness as a robust change management and performance improvement tool and its capability to achieve Charter Mark and Best Value requirements;
- Develop and deliver Senior Management learning programmes specific to your organization to help secure commitment and support at this level;
- A dedicated support function is essential from the outset
 - Providing a centralized project support office (PSO) function could be implemented to achieve a 'top down' integrated governance approach as well as providing support and facilitation to achieve project management best practice.
 - Appropriate IT solutions are essential to provide an effective project support function.

- If you don't have the expertise required to implement an effective project management framework, ensure that you engage with an accredited consultancy that has considerable 'hands on' experience to support you in realizing your vision. Housing Services would not have been able to develop key implementation projects with as much success without expert support.
- Demonstrate the more practical elements of PRINCE2 application at every opportunity. 'Show' don't lecture!
- PRINCE2 is most effective when the method is scaled appropriately and applied to achieve planned objectives. This demonstrates the flexibility of using PRINCE2 to achieve structure and control of a project, while still achieving a fit with existing culture.
- The key tools for success are planning and managing risks. More time spent at the initiation stage of a project to identify 'deliverables' is more likely to achieve a successful outcome.
- Using a structured method of project management improves communication, particularly in large programmes.
- In addition to PRINCE2 application a programme management approach is required for more complex projects. The development of a programme management framework will be able to monitor strategic outcomes across a range of work being carried out within Housing Services, thus enabling the organization to fully maximize scarce resources and ensure that projects align with business strategy.
- Ensuring that a project or programme has adequate resources to support the delivery of projects is critical to successful delivery.
- Outcomes need to be monitored to achieve benefit realization for the organization.
- Developing project management skills as part of an existing Leadership and Management programme is essential. A long-term approach to skills and knowledge development should be adopted and managed as an investment, not a cost. This will ensure that staff are able to use PRINCE2 and other tools successfully to deliver key business projects, thus realizing benefits for the organization relating to quality, cost, efficiency and effectiveness. This will also enable the organization to manage knowledge and talent more effectively.
- Learning programmes need to be flexible to support the various project management roles and different learning styles of individuals. One size does not fit all. A range of accredited, specialized training, coaching and workshops are essential to develop motivated skilled project management capability within the organization.
- Plans for the future must strive to:
 - Achieve a fit with existing culture and existing best value performance management arrangements.
 - Provide training, support, advice, project assurance and guidance.
- Monitor key project outcomes and support the provision of an appropriate platform for the development of programme management.

Wider implications

REPLICABILITY

PRINCE2 was applied within the Housing service to manage the implementation project thus making it easier to replicate and useful to demonstrate its potential to decision makers. Other public sector organizations may find our initial approach useful, i.e. to use the method to engage in a pilot programme that applies PRINCE2 methodology to ensure that future roll-out plans are more likely to meet key business objectives.

The achievements in Housing Services are influencing project management initiatives in the council as a whole:

- Initial sharing of best practice through discussions with corporate employee development services has resulted in the accredited training programme being provided as part of the council wide Leadership and Management development strategy (and employing the same consultancy and training provider employed within Housing)

OTHER STAKEHOLDERS TO WHOM THE PROJECT MAY BE RELEVANT/USEFUL

- Since embarking on this project, the proposed Housing Stock Transfer was rejected in a ballot of existing council tenants. In addition, there is an ongoing council review which has meant major changes to the department, including the merger of local community services (which incorporates Housing). As a result, staffing levels have more than doubled. Many of the additional staff have received accredited training through the corporate programme but up until now have not had access to other bespoke methods of training and support, our Intranet site, access to internal or external consultancy which has supported this project.
- Organizations that have a project management process in place but who want to identify and share best practice with other organizations to improve their performance.
- More recently we are providing support to partnership projects where the stakeholders are internal and external to the council and include private sector organizations. In many cases we are driving and supporting significant projects through the experience and expertise gained through this project

DEVELOPMENT OF PRACTICAL TOOLS OR METHODOLOGIES THAT COULD HAVE A WIDER APPLICABILITY

- Links have been established with Enterprise Risk Management Development to achieve consistency of approach. The organization is starting to realize the benefits of effective risk management as opposed to listing risks and then forgetting about them! This approach is being applied Council wide.
- As part of this project a bespoke training programme was developed and supported by an IT tool which is based on Prince2. This tool is accessible through our Intranet and/or a stand-alone tool on a CD-ROM to support the successful delivery of partnership projects.
- We have also developed a combination of accredited training solutions and bespoke methods to work with individual project teams. The training is aimed at developing a high performing team in terms of skills, knowledge and behaviours required for successful project management delivery. This approach is successfully addressing some of the people issues which can often cause projects to fail.

Future developments

As identified in the 'Lessons Learned', it is critical at this stage that senior level commitment to a more structured method of project management is embedded within the organization to ensure that our investment in people, processes and tools is realized. In addition to PRINCE2 application, a Programme Management approach is required for more complex projects and to meet with the Best Value requirements in terms of governance at a strategic, financial and operational level. A proposal has been made to our senior management to gain the commitment to resource a dedicated project management office. This would ensure that project management is linked to our performance framework so that we can improve our service and meet the requirements of 'Best Value' for our customers. The business case is very strong for this and we are continuing to promote this at every opportunity.

It has been suggested that we recruit the PSO personnel internally and, therefore, more specific project roles and responsibilities are being developed to ensure that the right people with the right skills are recruited for these key roles. This is being achieved through benchmarking with other organizations that already have a PSO or equivalent framework in place. This work will also be useful for succession planning and talent management in relation to the continuous improvement of our project management capability within the organization.

Key facts and figures

CEC have invested £100k in developing people, processes and tools. We now have over 40 projects applying PRINCE2 or key elements of it. Those who apply the method are much more aware of what is required for successful project delivery and their planning skills have improved considerably. This has meant that demand for project support and information has increased significantly following the learning and development programme. Thus the implementation project has been driven from a people perspective. Strategic Governance is now required to fully realize the benefits of the significant commitment to building capability and capacity to improve project management performance.

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