

Use of P3M3[®] at Manchester City Council Capital Programme Group

Kevin Fletcher, Strategic Planner,
Manchester City Council

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Introduction

Manchester City Council's Capital Programme Group is responsible for over 1,200 projects that have been designated as capital expenditure. This covers both routine and high-risk projects that collectively have an annual spend in excess of £300 million.

Background

The Capital Programme Group was established in 2003 with the aim of increasing confidence in the change initiatives that Manchester City Council was undertaking. This work was initiated by John Lorrimer, Director of the Capital Programme Group, who recruited Kevin Fletcher to drive the initiative forward. Kevin was keen to understand how the council could prove its performance in implementing the change initiatives that comprised the Capital Programme. This posed many questions:

- Who else was doing this?
- How could this be done?
- What were the options?
- What would be done as a consequence?
- What would success look like?

Through the Core Cities PPM Group, it became clear that other city councils were also interested in similar issues and, after discussion, they agreed upon a common benchmarking tool in the Portfolio, Programme and Project Management Maturity Model (P3M3). The Core Cities Group comprises the councils of:

- Birmingham
- Bristol
- Leeds
- Liverpool
- Manchester
- Newcastle
- Nottingham
- Sheffield.

WHY WAS P3M3 CHOSEN?

- It was developed by the Office of Government Commerce (OGC) using language and concepts familiar to those in a **PR**ojects **IN** Controlled Environments (PRINCE2®) or Managing Successful Programmes (MSP®) environment
- It can be used diagnostically to identify root causes and areas to concentrate on
- It provides a baseline of current capability
- It can be used to prioritize improvement initiatives
- It can be used to provide a benchmark for comparison with other organizations
- It can be used incrementally to monitor improvements.

Aims and objectives

- To carry out an assessment for each of the seven perspectives within each of the three models (see below for further details on P3M3) for key service areas within the council(s)
- To provide a comparison against other public sector organizations generally and the Core Cities specifically

- To provide improvement suggestions
- To carry out an assessment of maturity that could be achieved through an improvement route map.

Approach

The approach was to use P3M3 to identify and target areas for improvement and drive further enhancements and refinements to the existing strategy of:

- Developing a tailored in-house PPM method based on PRINCE2, which was supported by:
 - Training
 - Growing talent from within to reduce reliance on consultancies
- Scrutinizing and prioritizing programmes or projects that are proposed for inclusion in the portfolio
- Having the right technology to support the PPM method
- Having a career path for project managers so that Manchester City Council is seen as an attractive and progressive place to work.

Challenges

The following challenges were noted:

- Size and complexity of the organization for both the P3M3 assessment and the implementation of the targeted improvements
- Organizational diversity: not all parts of the council are the same and often have a different ethos
- Today's world involves the use of service partners to provide services to citizens and they have to be on board with the changes
- Language issue of integrating the 'PPM speak' with the 'finance speak', not least for the interface of SAP to Project Information System Manchester (PrISM).

Successes

The original project management approach, supported by the project management system, was developed in partnership with Atkins Management Consultants and relied on Microsoft products as a delivery vehicle. Following the P3M3 assessment this information was used to inform and reshape work on improving the original system to produce PrISM.

The following improvements have been made:

- Creation of a 'one-stop shop' for PPM
- The ability to develop big-picture programme overview reporting driven by status but with the capacity to drill down to individual issues and/or risks as required
- Integration into the finance system not least so that money is only released after projects have been duly authorized
- Improved project closure process
- Development of an automated process to assure compliance
- Support for everyone from the professional project manager to those for whom managing projects was not their day job
- Fitted the whole range of project size and complexity
- Accommodated the reporting requirements of the different projects and stakeholder groups
- Improved reallocation of funds from any project under spend
- Finance and project teams see the same data

- Reduced e-mail traffic and fewer printed pages as users are encouraged to use PrISM to find information rather than it being e-mailed to multiple recipients
- Improved capacity for mobile and agile working as all PrISM functionality is available over the Internet via a secure access gateway.

Many in-house projects are now delivered by home-grown project managers, reducing the reliance on external consultants. It also required achieving a balance between the technology, the system or process, and training, including both formal and non-formal training such as mentoring.

Lessons learned

So what are the lessons from Manchester City Council?

- Senior management buy-in was crucial and powerful when used in the right way, in the right places and at the right times on critical issues
- A clear vision and strategy with realistic time scales, budgets and expectations was required
- Technology should be used appropriately
- To look to the next generation of project managers
- Keep the system simple and streamlined.

And for the future?

And it does not stop there – further improvements are planned:

- Spatial planning, as PrISM links to a geographical information system (GIS), and possibly Bing mapping
- Improved portfolio level reporting
- Inclusion of carbon impact statements.

Further information about P3M3

P3M3 helps organizations address fundamental aspects of managing portfolios, programmes and projects. It improves the likelihood of quality results and successful outcomes and reduces the likelihood of adverse impacts from risks.

P3M3 version 2.1 can be used in several ways:

- To understand the key practices that are part of effective portfolio, programme and project management processes
- Within portfolios, programmes and projects, P3M3 creates the opportunity to assess seven essential components, known as process perspectives:
 - Management control
 - Benefits management
 - Financial management
 - Stakeholder engagement
 - Risk management
 - Organizational governance
 - Resource management
- To identify the key practices that must be embedded within the organization to achieve the next maturity level
- To understand and improve their capability to manage programmes and projects more effectively in the future.

The P3M3 model contains three models that enable independent assessment. There are no interdependencies between the models, so an organization may be better at programme management than it is at project management, for example. The models are:

- Portfolio Management (PfM3)
- Programme Management (PgM3)
- Project Management (PjM3).

The levels described within the P3M3 model indicate how key process areas can be structured hierarchically to provide transition states for an organization wishing to set realistic and sensible goals for improvement. The levels facilitate organizational transitions from an immature state to becoming a mature and capable organization able to handle initiatives based on a standardized, defined process – in line with specific business need.

The five structured levels for maturity are:

- Level 1: awareness of process
- Level 2: repeatable process
- Level 3: defined process
- Level 4: managed process
- Level 5: optimized process.

For more information, see www.p3m3-officialsite.com

About the author

Kevin worked within the Ministry of Defence (MOD) during the early years of his career and travelled to a number of countries in Central America and the Far East. His role in Hong Kong included responsibility for a workforce of 260 Chinese who provided logistic programme support to the MOD and the Hong Kong government.

In 1992 Kevin returned to the UK and secured a position with an autonomous company within the Fujitsu group and was involved in a large number of project deliveries. Two of the most notable were the UK National Lottery and the automation of Post Office Counters Ltd, which was the biggest IT implementation ever undertaken in Europe. He was subsequently promoted to programme and project director for the company.

For the past seven years Kevin has been working for Manchester City Council as a strategic planner. This is a rewarding, diverse and demanding role, which can really make a difference to the residents of Manchester.

In 2005 the Capital Programme Group won three awards: the Association for Project Management finalist, a National Training Award and a special achievement award from the Learning Skills Council for the team's work in designing and implementing a standard approach to project management for Manchester City Council called the 'Manchester Method', which is based on PRINCE2. In 2007 the team were awarded an innovation award for business process by the North West Centre for Construction Innovation. The Capital Programme Group has recently automated delivery processes, designing and implementing PrISM. This project information system links to finances in SAP and a GIS, which provides a 'one-stop shop' for all levels from portfolio to project.

Acknowledgements

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