



Office of Government Commerce

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OGC Gateway™ Process **Review 0: Strategic assessment**

Version number: Final

Date of issue: 18 September 2013

SRO: Hywyn Williams

Department: Learning and Community Directorate, Denbighshire County Council

Agency or NDPB:

OGC Gateway™ Review dates: 16 Sept 2013 to 18 Sept 2013

OGC Gateway™ Review Team Leader:

Liz McLoughlin

OGC Gateway™ Review Team Members:

Roger Davies

Nigel Elias

Appendix 1 - OGC Gateway™ Review 0: Strategic assessment

Programme Title: Denbighshire Modernising Education Programme

OGC Gateway™ ID: AH/13/040/G

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OGC Gateway Delivery Confidence Assessment

| <u>Delivery Confidence Assessment</u> | Amber/Green |
|--|-------------|
| <p>Denbighshire County Council is committed to continuing to raise educational standards in the County and to making the required investment. The composition of the Modernising Education Programme Framework (MEPF) reflects the results of a series of structured area reviews of education provision in the County. Decisions follow extensive informal and formal consultation and engagement. Costs and timescales are tightly controlled, although both timing and affordability are affected by the Welsh Government decision making process.</p> <p>Programme and project governance are in place (although the former is not yet fully mature). Programme management is taken seriously by the Denbighshire County Council and there is experience, capacity and expertise in the present senior team. The education team, working closely with the Programme is committed to developing and skilling the schools workforce.</p> <p>The uncertainty of future funding is the biggest single risk to the Programme and, as elsewhere, the Denbighshire schools programme has been affected by different decisions on the amount, timing and nature of Welsh Government financial support. Looking forward, local government funding is likely to be reduced further and Denbighshire is considering how it might mitigate the effect of this on its school investment programme.</p> <p>There are clearly set out policy objectives for the Programme but an overall vision statement, setting out what the future will look like would be useful. Although the area reviews provide a sound basis for the Programme, there is as yet no clear articulation of how the findings from the individual areas- and the vision for each that will be derived from that work- will be reflected at programme level. While hard and soft benefits have been identified at project level, the work to bring these together at programme level is still being developed. In particular, there is a need to capture indicators of the Programme's contribution to educational outcomes in the County.</p> | |

The Delivery Confidence assessment RAG status should use the definitions below.

| <u>RAG</u> | <u>Criteria Description</u> |
|-------------|---|
| Green | Successful delivery of the project/programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly |
| Amber/Green | Successful delivery appears probable however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery |
| Amber | Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and if addressed promptly, should not present a cost/schedule overrun |
| Amber/Red | Successful delivery of the project/programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and whether resolution is feasible |

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|-----|--|
| Red | Successful delivery of the project/programme appears to be unachievable. There are major issues on project/programme definition, schedule, budget required quality or benefits delivery, which at this stage do not appear to be manageable or resolvable. The Project/Programme may need re-baselining and/or overall viability re-assessed |
|-----|--|

Summary of Report Recommendations

The Review Team makes the following recommendations which are prioritized using the definitions below.

| Ref. No. | Recommendation | Critical/ Essential/ Recommended |
|----------|---|--|
| 1. | The Programme Definition document needs to include a vision statement and clear statement of scope and timescale. The document should be reviewed regularly and updated. | Essential. By March 2014 |
| 2. | The Programme should ensure that there is a comprehensive and consolidated benefits measurement matrix, building on the project level work and weaving benefits through area and programme level. In addition, the work to identify, capture and track linkages between Programme benefits and educational outcomes should be a priority area for the next phase of the Programme. | Essential. By March 2014 |
| 3. | The Programme level risk register should be developed to become the principal risk management tool for the Programme Board. | Essential. By end October 2013 |
| 4. | The Programme should establish a process for evaluating the results of the area reviews. | Essential. By March 2014 |

Critical (Do Now) – To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately

Essential (Do By) – To increase the likelihood of a successful outcome the programme/project should take action in the near future. [Note to review teams – whenever possible Essential recommendations should be linked to project milestones e.g. before contract signature and/or a specified timeframe e.g. within the next three months.]

Recommended – The programme/project should benefit from the uptake of this recommendation. [Note to review teams – if possible Recommended recommendations should be linked to project milestones e.g. before contract signature and/or a specified timeframe e.g. within the next three months.]

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Background

The aims of the programme:

The Modernising Education Programme, which includes the Denbighshire County Council's input to the Welsh Government's 21st Century Schools Programme, is to ensure that education provision in the County is of a high quality and is sustainable in the long term. It seeks to improve the quality of school buildings and facilities and to provide the right number of school places, of the right type, in the right locations while reducing the cost per pupil. In addition the Programme aims to maintain or strengthen Welsh medium or bi-lingual provision.

The Programme will also contribute to the Welsh Government's target for reducing carbon emissions by 34% by 2020.

To achieve these aims the Programme has been set up to oversee a number of projects for new builds, refurbishment and extensions and, where appropriate, amalgamations, closures and disposals including the removal of mobile classrooms. Where practicable, projects will also deliver enhanced facilities for community use.

The driving force for the programme:

Some of the Denbighshire schools have surplus capacity while others are under-provided. Some, specifically in the Rhyl area, serve areas of significant deprivation. In 2007 a very challenging Estyn inspection of educational provision in the County led to a review of the performance, leadership and management and use of resources in schools. As a consequence, a number of leadership and management changes were made. In January 2009 the Cabinet approved the Modernising Education Policy Framework and from May 2009 set in place a number of area reviews of primary provision.

The Programme meets the objectives set out in the Welsh Government's Strategic Outline Programme of 2010 which supports investment designed to improve learning environments, to achieve greater economy and efficiency and to reduce the carbon footprint of the education estate. A particular driver is the target of reducing surplus capacity to 10% or less.

In addition the Programme contributes to Denbighshire County Council's regeneration and modernisation strategies.

The procurement/delivery status:

The Modernising Education Programme is composed of a number of existing and planned projects at different stages of procurement and construction. Of the two largest projects (both secondary schools), the construction of the new Rhyl school is being procured under Early Contractor Involvement arrangements. It is envisaged that the extension and refurbishment of Ysgol Glan Clwyd will be procured through a mini-competition process through the North Wales Schools and Public Buildings Contractor Framework expected to be available in January 2014.

Current position regarding OGC Gateway™ Reviews:

This is the first Gateway review of the Programme.

Purposes and conduct of the OGC Gateway™ Review

Purposes of the OGC Gateway™ Review

The primary purposes of an OGC Gateway Review 0: Strategic assessment, are to review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to Ministers' or the departments' overall strategy.

Appendix A gives the full purposes statement for an OGC Gateway Review 0.

Conduct of the OGC Gateway™ Review

This OGC Gateway Review 0 was carried out from 16 September 2013 to 18 September 2013 at County Hall, Ruthin. The team members are listed on the front cover.

The people interviewed are listed in Appendix B.

The Review Team would like to thank the Modernising Education Programme team for their support and openness, which contributed to the Review Team's understanding of the Programme and the outcome of this Review. In particular we would like to thank Jacqui Pendleton for her help to the Review Team during the review.

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Findings and recommendations

1: Policy

Following the very challenging Estyn report in 2007 and the report of Cambridge Education consultants, Denbighshire County Council put in place some significant changes to the leadership and management of educational services in the County. In parallel with these changes, the Modernising Education Policy Framework was drawn up and was approved by Cabinet in January 2009. The framework provides a suite of policies for models for primary and secondary school organisation and has been used as the basis from 2009 for a series of area reviews of education provision, the current review being of the Ruthin area.

In October 2010 Denbighshire submitted their case for Band A capital funding to the Welsh Government's 21st Century Schools Programme. The submission sought funding for a number of capital projects, the requirement for which was identified through the area reviews and agreed after the associated consultation.

The Modernising Education Programme responds to one of the priorities in the Council's Corporate Plan (Improving Performance in Education and the quality of School Buildings). It reflects Welsh Government policies for improving learning environments and educational outcomes as well as the objectives for achieving greater efficiency and economy and sustainability.

The investment needs identified by the Programme meet a number of policy objectives. These include:

- Providing high quality and sustainable education provision
- Providing the right number of the right type of places in the right place. This includes meeting the increasing demand for Welsh medium education
- Improving the quality of school buildings
- Supporting regeneration in deprived areas

2: The Programme Case

The Programme Definition Document (PDD) of 23 April is a useful document which sets out at a high level the context of the Programme, its intended outcomes and benefits, dependencies and delivery approach. It explains the governance arrangements and roles and responsibilities. The PDD is consistent with the 21st Century Schools Strategic Outline Programme submitted in 2010 and defines the programme of activities that will contribute to the Denbighshire County Council Corporate Plan priority of improving performance in education and the quality of our school buildings.

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The Programme as presently identified has a number of current and planned projects that have emerged from the area review process to date. All projects have project managers and the larger projects are supported by project boards. Each has produced a business justification case or, in the case of the larger projects, has produced or will produce a full business case. It is not envisaged that the Programme itself will have a business case since the case for investment will be made at project level.

The Review Team noted that the purpose of the PDD is to provide a sound basis for structured management of the Programme as a whole. It is seen as a technical document which, with the Programme governance, brings a structured and disciplined approach to project delivery. Nonetheless, it has to support the full range of the Programme Board's responsibilities.

As set out in the PDD, the Programme Board is responsible for communicating the Programme vision and its key outcomes; for managing the overall benefits; leading the cultural change; and co-ordinating projects in pursuit of the vision. The version of the PDD that the Review Team has seen does not contain a vision statement or the outline of a stakeholder and communication plan and the benefits and risk work it sets out is still generic. (We address the latter two below.) In addition the scope of the Programme, both in terms of content and timescale, could be clearer.

The Programme is more than a collection of projects. Much of its added value comes from the ability of key stakeholders at Programme level to articulate and communicate key messages - the overall vision, objectives and what will constitute success. For this reason, the Review Team recommends that the PDD, as the key Programme document, is refreshed and updated in particular to ensure that there is a single statement of vision and clarity on scope, duration and success factors.

RECOMMENDATION 1. The Programme Definition document needs to include a vision statement and clear statement of scope and timescale. The document should be reviewed regularly and updated.

Although the Programme will make a key contribution to improving educational outcomes, the Programme scope does not include workforce development which is being driven by the Head of Education. The Review Team was told that a high performing workforce and raising educational performance was embedded in Denbighshire's ethos. Certainly, the County's progress since 2007 has been very significant. It will be important, therefore, to maintain the close working between the Programme Team and their colleagues.

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Stakeholders and communication

The approach to schools' modernisation taken in 2004-5 met with considerable opposition and the lessons learned from that are reflected in the present carefully structured area review approach. Given past history, informal consultation and extensive engagement are both particularly important and, in some cases, particularly difficult. The Review Team has not seen a stakeholder matrix or communications plan but from several of those to whom we spoke we heard about the considerable effort that was being devoted to this at programme level and it is clear that there is strong and joined up leadership and involvement from the top. The Review Team is also aware that stakeholder engagement is often best managed at project level in partnership with the senior management in the schools.

There may, however, be merit in reviewing at Programme level the future communications agenda to ensure that time is spent most cost-effectively, that the communications effort is making a difference and that there is shared understanding of what works best.

Communications from the Programme Team, including regular newsletters, give updates on the progress of individual projects. The Review Team suggests that the Programme Team identify and publish a number of hard objectives – key deliverables with dates. The meeting of these objectives would be celebrated at local level but could also be presented as Programme successes.

3: Outcomes and benefits

The MEPF contributes to the overarching Corporate Plan priority of 'Improving performance in education and the quality of our school buildings' through its stated outcomes of:

- Significant investment to improve school buildings and facilities and improved learning environments for pupils;
- The right number of school places, of the right type, in the right location.

There is confidence among those the Review Team interviewed that the programme will provide the improved school buildings and facilities and will successfully address the surplus and over subscription issues. Linking the results of increased investment in buildings and facilities to better education performance, at County or area level, is more difficult and the whole area of benefits mapping at programme level is still work in progress.

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Benefits need to be mapped, managed, measured and owned at various levels. There are a number of hard and soft, but measurable, benefits being captured at the individual project level (the benefits matrix for Ysgol Bro Dyfrdwy and Glan Clwyd are good examples of work already undertaken). The Review Team was less clear, however, that these were being aggregated at area or Programme level in a way that would allow subsequent assessment of achievement against objectives at area or County level. Furthermore, the team was told that the difficult work on identifying persuasive indicators to link capital investment to a range of educational outcomes had not yet been developed although a good deal of thinking has gone into this.

There are a large number of quantifiable benefits, some of which reflect policy intentions at Welsh Government level and form criteria for approval of 21st Century Schools funding. Examples include reducing the carbon footprint of a school or the reduction of surplus places. These and others are fairly straightforward to capture and map. The better alignment of provision to need, in particular, is the fundamental driver for the area reconfiguration proposals. The majority of the benefits captured at project level will be to do with the efficiency and cost effectiveness of the new school estate. As the Programme moves, at area by area level, from construction to bedding down, an audit trail showing benefits realisation will be needed, not least to demonstrate value for money from the investments.

In the more testing area of demonstrating the linkage between investment in buildings and educational outcomes, the use of indicators may offer a way forward. Indicators might include measuring reduction in truancy and expulsions, the decrease in pupil transfers in year, fewer parental complaints, analysis of pupil and teacher satisfaction surveys and increase in staff development undertaken. Because of the differences in catchment areas and the differences in cohorts from one year to another, this analysis can only sensibly be done at Programme level and will be indicative of trends rather than end results. Nevertheless, this work, which will be in close consultation with, or led by, colleagues in education services, should present a persuasive picture of the linkage between the learning environment and the behaviour and performance of staff and pupils. The use of benefit mapping tools such as Service Value Chains and working back from the outcome may be of use.

RECOMMENDATION 2. The Programme should ensure that there is a comprehensive and consolidated benefits measurement matrix, building on the project level work and weaving benefits through area and programme level. In addition, the work to identify, capture and track linkages between Programme benefits and educational outcomes should be a priority area for the next phase of the Programme.

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Risk Management

The Programme Definition Document lists the overall generic risks associated with the delivery of the Programme. Detailed risk registers are maintained at project level and are reported to the Programme and Programme Board through VERTO. The PDD also outlines the Programme risk management strategy including how risks are to be escalated.

There is general consensus and commitment to the governance framework and procedures for risk management and there is clear support and involvement from the senior management team and elected Members in scrutinising risk issues.

It is also apparent that risk escalation procedures are in place, as individual project risk issues are discussed regularly with the Modernising Education Programme Manager and raised at the Programme Board for discussion, challenge and resolution.

If, however, the Programme Team, and Board, are to manage programme level risks effectively (rather than monitoring project level risks), a worked through programme level register needs to be developed. This is acknowledged in the PDD.

The chief risk facing the Programme is the uncertainty of funding and the Programme and senior team are developing contingency and mitigating actions.

A further risk, identified in the Review Team's interviews, but not identified in the documentation before the Team, concerns the provision of ICT. Realising the educational benefits of capital investment in buildings will depend to a significant degree on whether they are equipped with the right ICT infrastructure, equipment and services. The current project to equip all schools with WiFi forms part of the Modernising Education Programme and needs to be considered within the overall management of risk at Programme level, recognising, however, that this is a key dependency for individual projects.

RECOMMENDATION 3. The Programme level risk register should be developed to become the principal risk management tool for the Programme Board.

5: Review of Current Phase

The current phase of the Council's Modernising Education Programme 2012 – 2017 is defined as the list of completed and current capital build projects, namely;

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- Ysgol Dyffryn Ial
- Ysgol y Llys
- Ysgol Twm o'r Nant
- Ysgol Bro Dyfrdwy
- Rhyl High School
- Bodnant Community School

This reflects progress across both the Tranche 3 and the 21st Century Schools funded projects.

The documentation seen by the Review Team showed that that these projects are on target and this was confirmed by interviewees. Project plans are up to date and issues are being managed effectively. There was, however, a delay in approval of the SOC for the new Rhyl School by the Welsh Government, due, we understand, to a failure of communication over the evidence for pupil projection numbers and this has led to the need for a revised submission. Confidence that this will now be approved by Welsh Government is high.

The progress in the present phase of the Programme has benefitted from a number of strengths. These include:

- Confidence in the capacity and capability of the Programme Team. Interviewees praised the support they had from the team.
- Experienced project managers who are well thought of by Heads and Governors.
- The clarity and joined up approach that has been enhanced by the establishment of the Programme Board. The Board is seen as providing both a more structured approach and a forum for open discussion,
- The re-engagement of Wilmott Dixon, the contractor partner on the Rhyl project

In addition, the culture and ethos of Denbighshire County Council encourages a joined up, structured and robust approach. Examples of this are the Corporate Programme Office and the Schools Standards Monitoring Group.

It has, however, been difficult to plan, to commit to investment and to assure value for money when there has been such uncertainty over the level and timing of Welsh Government funding. The change of approach from 70:30 to 50:50 matched funding; the debate on funding of the new faith school and the receipt of unexpected funding support are examples. While the challenges facing Welsh Government are understood, the ability of Council officers to implement the Programme in a timely, effective and efficient way would be enhanced if there were better understanding and closer working between Government officials and Council officers.

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6: Readiness for the next phase

The PDD identifies 4 future projects (Ysgol Glan Clwyd, the Faith Secondary School, primary school improvements resulting from the Ruthin area review and ICT support). The first 2 of these are included in the 21st Century Schools Programme. The Review Team did not see documentation relating to the management at programme level of the ICT workstream even though the design work on individual projects to date has reflected the importance of ICT in optimising the teaching and learning environment in the new school facilities. The Review Team suggests that in future Programme planning and at Programme Board there should be a greater focus on Programme ICT issues.

The programme and project arrangements in place will stand the Programme in good stead for the next phase, though we comment above on the management of risk and benefits. The establishment of the Corporate Programme Office, the membership of the Programme Board and the close working relationship between the Project Sponsor and the Head of Education are particularly important in ensuring that activities are not pursued in silos. There may be merit in reviewing programme Board membership, for example, to encourage attendance by a Welsh Government representative and to bring additional external challenge (possibly through recruitment of a Non-executive).

The Review Team has not seen any plan for the formal evaluation of the achievement of the objectives of each area review. The identification of the 'before' and 'after' in a way that is clearly linked to the overall policy objectives could be a powerful tool, not just in communication and engagement but in terms of delivering the accountability of the authority to the tax payer.

In addition, the Programme would benefit from a structured process for capturing, disseminating and monitoring lessons learned.

RECOMMENDATION 4. The Programme should establish a process for evaluating the results of the area reviews.

The next OGC Gateway™ Review is expected in mid-2016 at which point Denbighshire will be finalising its next Corporate Plan, advancing proposals on a new faith school and completing construction of the new Rhyl School and the Bodnant Community School.

APPENDIX A

Purposes of OGC Gateway™ Review 0: Strategic assessment

- Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to overall strategy of the organisation and its senior management.
- Ensure that the programme is supported by key stakeholders.
- Confirm that the programme's potential to succeed has been considered in the wider context of the organisation's delivery plans and change programmes, and any interdependencies with other programmes or projects in the organisation's portfolio and, where relevant, those of other organisations.
- Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (e.g. to any existing projects in the programme's portfolio).
- Review the arrangements for identifying and managing the main programme risks (and the individual project risks), including external risks such as changing business priorities.
- Check that provision for financial and other resources has been made for the programme (initially identified at programme initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised.
- After the initial Review, check progress against plans and the expected achievement of outcomes.
- Check that there is engagement with the market as appropriate on the feasibility of achieving the required outcome.
- Where relevant, check that the programme takes account of joining up with other programmes, internal and external.

APPENDIX B

Interviewees

| Name | Role |
|--------------------|---|
| Dr Mohammed Mehmet | Chief Executive |
| Jackie Walley | Head of Service for Programme |
| James Curran | Programme Manager |
| Martin Davies | Headteacher – Ysgol Glan Clwyd |
| Catrin Jones | Welsh Government |
| Paul McGrady | Head of Finance and Assets |
| David Evans | Project Manager – Rhyl High School |
| Dylan Jones | Chair of Governors, Ysgol Twm o'r Nant |
| Eryl Williams | Lead Member for Education |
| Karen Evans | Head of Education |
| Sion Evans | Design and Construction Manager |
| Peter Clayton | Project Manager, Ysgol y Lllys/Ysgol Glan Clwyd |
| Andrew Holmes | Wilmott Dixon |
| Claire Armitstead | Headteacher, Rhyl High School |
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