Transport for London

Projects and Planning Panel

Subject: Project Management Maturity

Date: 13 November 2013

1   Purpose

1.1   This paper provides the further information requested by the Panel at its meeting on 8 May 2013:

(a)   clarity on the objectives for project management maturity for the next 12 and 24 month periods together with an estimate of financial outcomes;

(b)   a timeline of typical training, induction and support for an individual using the new methodology; and

(c)   a flow chart detailing the escalation process for project management decisions and approvals.

1.2   The Panel is asked to note the paper.

2   Project Management Maturity

2.1   Research by Carnegie Mellon University into persistent failures in the US Defence Programme established a close correlation between organisational maturity and project performance. They created the Capability Maturity Model Integrated (CMMI) approach to the assessment of maturity and development.

2.2   CMMI is the basis for maturity models, such as the UK Government's P3M3 model adopted by TfL. TfL has supported the Government by helping the Cabinet Office to develop the model, extending it to include commercial, asset management and behavioural aspects.

2.3   The P3M3 model assesses maturity against seven perspectives (Organisational Governance, Management Control, Finance Management, Risk Management, Resource Management, Benefits Management and Stakeholder Management). Like CMMI it has five levels of maturity: (Awareness, Repeatable, Defined, Managed and Optimising).

2.4   Improvement initiatives, such as TfL Pathway, better controls and personal development, are designed to strengthen areas targeted through the assessments.

2.5   There is correlation between organisational maturity and performance in London Underground where P3M3 has been applied since 2007. These historic forecast efficiencies are built into the current Business Plan.

2.6   Since 2007, London Underground has progressed from maturity level 0.7 to 3.6 and plans to progress to level 5 by about 2015.

2.7   Carnegie Mellon demonstrated that efficiencies of 10-20 per cent were achieved as projects moved up from one maturity level to the next.

2.8   One of the key enablers of performance is tight control of scope, cost, schedule and risk. P3M3 assessments have confirmed that this area would benefit from further development and an enhancement project is underway.

2.9   The latest maturity assessments are as follows:

Business area	Latest assessment	Date
LU	3.6	Mar 2013
Tube Lines (now in LU)	2.8	Jan 2012
Rail	2.2	Jan 2013
Surface	1.5	Jan 2012
Accommodation	2.3	Jan 2013
IM	2.8	Mar 2013
Strategy & Planning	1.5	Feb 2013

2.10   As maturity modelling was only recently developed in other areas of TfL, the correlation cannot yet be drawn.

2.11   It should be noted that the targets are particularly challenging as the assessment has broadened to include Commercial, Asset Management and Behaviours. In line with Cabinet Office guidance TfL will run two sets of scores for the next 18 months.

2.12   An Engineering Maturity assessment, initially for LU, will be undertaken by the end of 2013, to further broaden TfL's understanding and to inform the design of improvement initiatives.

2.13   Similarly, Business Analysis maturity in IM is being assessed.

2.14   Longer term, there is aspiration for all units with high levels of project activity to achieve level 5 maturities. Interim targets for 2014/15 and beyond will be in the summer of 2014 following a review of assessments planned through the remainder of 2013/14.

2.15   Maturity growth also brings broader benefits, for example safety performance, schedule performance, reduced impact of capital investment on customers and better outcomes.

2.16   Increasing maturity is an enabler of project delivery performance when the initiatives are adopted by project teams. The project teams then realise the performance gains.

3   Pathway Training and Support

3.1   TfL Pathway is TfL's delivery methodology. It is currently being implemented across TfL, supported by the TfL Programme Management Office (PMO) with extensive communications, training and on-the-job support.

3.2   The commitments to implementation made to delivery teams were shared with the Panel on 8 May 2013 (See Appendix 1).

3.3   An extensive and creative communications campaign, including intranet, news items, posters and briefings has achieved full awareness of Pathway amongst senior managers, delivery teams and other stakeholders.

3.4   A single point of contact in PMO was appointed to support each of the 24 business areas. In a collaborative effort, they compiled detailed information listing the projects, programmes and delivery portfolios, the stage each one was at in the life cycle and the people involved.

3.5   Implementation plans were agreed with local and senior managers, and Pathway Product Management Plans (PPMPs) have been created for approximately 500 of the 600 (approximately) projects currently live. For the remainder, either they are preparing PPMPs or, for projects nearing completion, they will remain on their previous framework.

3.6   Over 120 briefing sessions were held across all TfL buildings immediately after release, and over 2500 staff attended, broadly equivalent to all staff involved in projects. Any others are briefed one-to-one and through the support of Pathways Representatives on the ground. Over 400 questionnaires were returned and the feedback was used to drive the design of subsequent phases of communications and training. The feedback page in the implementation newsletter – Delivery,is included as Appendix 2.

3.7   Following the release briefings, the focus has been on hands-on support. As expected, the personalised approach by the PMO has been welcomed with over 400 individual or small group interactions being held subsequent to the briefing sessions. Practitioners have submitted more than 100 emails to the TfL Pathway email address and each one has been responded to quickly.

3.8   The half day TfL Pathway Training course is run every two weeks and has full attendance. Over 40 courses on the use of the PPMP Tool have been run with 40 more scheduled and 13 specialist sessions on Investment Governance have been run with more to be arranged to meet demand.

3.9   The most frequent request has been for guidance on using the tool to compile the Pathway Product Management Plan. In addition to one-to-one support, PMO created a video, made available on demand via YouTube.

3.10   The second most requested area was for help with benefits and value management. PMO designed and ran four sessions, tailored to particular groups concerned.

3.11   Local processes, such as Spearmint in Surface and PMF in London Underground, have been updated with phase out signposted for April 2014; other local processes are being updated with local representatives to ensure alignment with Pathway.

3.12   PMO and the Pathway implementation team, working in close collaboration with the business units, have made substantial progress in meeting communication and training commitments and implementation is proceeding as planned.

4 Escalation of Project Management Decisions

4.1 Project Management decisions requiring authority are made in accordance with the investment government arrangements set out in TfL Pathway.

4.2 Authorities are required to progress from one lifecycle stage to the next, funding ('Project Authority'), procurement, land and disposal. TfL Pathway refers users to summary tables stating the route for decisions and the authority level of named individuals and authorising bodies (the 'Authority Routes' – see Appendix 4).

4.3 The Project Manager is empowered to make decisions regarding her or his project within the parameters of the authorities obtained, subject to the Assurance provisions set out in TfL Pathway.

4.4 The Project Manager is required to escalate decisions through 'the hierarchy' of the relevant Project Board, Programme Board and Business Unit Board until the matter is resolved.

4.5 Some examples are set out in Appendix 3.

5 Recommendation

5.1 The Panel is asked to note the paper.

6 Appendices

6.1 The following appendices are provided:

(a) Appendix 1 – TfL Pathway team's commitment on training;

(b) Appendix 2 – TfL Pathway news page from May 2013 – outcomes of the briefings and survey

(c) Appendix 3 – Examples of Escalation of Project Management Decisions

(d) Appendix 4 – Authority Routes for Rail and Underground and Surface Transport

7 Contact

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Appendix 1: TfL Pathway team's commitment on training

TfL Pathway

Implementation – P&PP presentation (8 May 2013)

- ✓ **Communications:** senior management, delivery teams and other stakeholders briefed
- ✓ **Basic data compiled in (24) local areas:** list of projects, programmes and delivery portfolios, associated sponsors and project managers, delivery staff, functional leads
- ✓ **Data consolidation:** map each item on list against relevant Pathway lifecycle
- ✓ **Pathway Product Management Plans:** created for each item – and signed-off
- ✓ **Local processes:** aligned to TfL Pathway, ensure complementary approach
- ✓ **Training Approach:**
  - Senior management 1:1s – and 1:1 support for at desk as needed
  - 'Account Management' approach (single point of contact and consistent relationship)
  - 'Road Show Briefings' (multiple slots in local buildings)
  - 'Clinics' (extended and repeated topic-focused working sessions)
  - Half Day Training Course – by external training company

2

Appendix 2: TfL Pathway news page from May 2013 – outcomes of the briefings and survey

delivery

Pathway's pinboard
tflpathway@tfl.gov.uk

Pathway

Part of the TfL Management System
tflpathway@tfl.gov.uk

We are happy to see that 99.9% of you seem to 'get' the concept of an integrated methodology ...

the survey: Bithika O'Dwyer, TfL Pathway

Following the launch of TfL Pathway in April, we have held 120+ briefing sessions around the business. 2,000+ of you attended one of these sessions. Thanks very much to the hundreds that gave us feedback via our survey on what support you would like next – the results are in!

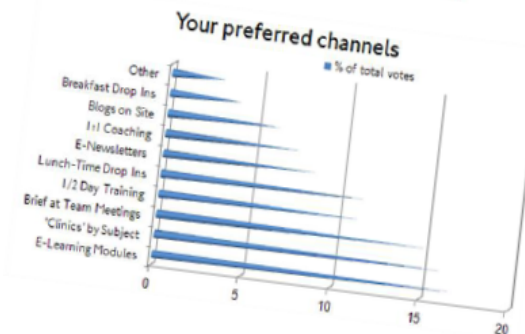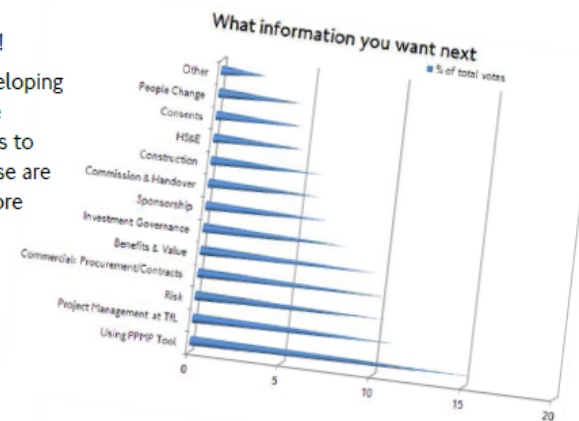| Top Voted Topic:	Pathway Product Management Plan (PPMP) tool
Top Voted Channel:	Some form of e-learning

It's a surprise to us that you rate e-learning so highly!

In response to your request, we are looking into developing full e-learning modules (not a fast process) but in the meantime, we have put together 11 short movie clips to cover different aspects of using the PPMP tool. These are hosted on YouTube so that you can stream them more easily from outside our estate:

WATCH THE PPMP MOVIE CLIPS
NB – to maximise the audio quality, please use headphones

Training & Support – visit our SharePoint page for live information on Clinics and other sessions that we are offering on an ongoing basis.

The reasons why an integrated methodology - TfL Pathway - is being adopted by TfL are clear to me.

Yes, these reasons are clear
345 (91%)

I can partially understand the reasons
32 (8%)

I really don't understand why we are doing this
1 (0%)

What information you want next

Your preferred channels

Appendix 3: Examples of Escalation of Project Management Decisions

Decision	Project Manager's Authority	Escalation
Change in Requirements or Scope	The Project Manager may propose changes to requirements, for example in the interests of efficiency	The **Programme Board** may authorise changes provided change control limits are not exceeded. Otherwise **Authority Routes** are followed.
Solution and design	Discretion to select solution and design provided sponsors requirements and standards are met.	**Project Board** - to resolve any conflict between stakeholders. **Programme Board** if Project Board members are not empowered or cannot agree, or if broader programme implications are envisaged.
Resourcing of the project	Resourcing within project budget and subject to HR policies.	**Programme Board** for decisions within programme level annual business plan. **Authorities Routes** are to be followed if the annual business plan or budget is forecast to be exceeded.
Procurement, Contract Award and Variations	The Project Manager and Commercial Lead must both authorise decisions on procurement, contract award and variations.	Procurement decisions which exceed the authority of the Project Manager and/or Commercial Leads follow the **Authority Routes**
Contract administration	The Project Manager is empowered to make contract management decisions within her or his delegated powers.	Decisions which exceed the authority of the Project Manager follow the **Authority Routes**
Payments	The Project Manager and Commercial Lead must both authorise payments to contractors.	Payment decisions which exceed the authority of the Project Manager and/or Commercial Leads follow the **Authority Routes**

Decision	Project Manager's Authority	Escalation
Milestones	The Project Manager may change low level milestones and propose changes to Project Accountability Milestones (PAMs).	The **Project Board** and then **Programme Board** review proposed changes to PAMs and the Programme Board proposes them to the Head of PMO. The **Head of PMO** challenges any changes to PAMs and recommends acceptance or rejection to the relevant **Business Unit Board**.

Appendix 4: Authority Routes for Rail and Underground and Surface Transport

Project Authority Routes*** — Rail & Underground		Sponsor	Project Board *	PMO Assurance (or their agent)	Director	Chief Officer	Rail & Underground Board	MD Finance	IIPAG **	Commissioner	P&PP	Finance & Policy Committee	TfL Board
Budgeted	Unbudgeted												
Local budgeted delegations may exist in accordance with Standing Orders													
< £2m	< £1m	→ Request	→ Endorse	→ Inform	✓ Approve								
< £5m	< £2m	→ Request	→ Endorse	→ Inform	▨	✓ Approve	Inform	▨	▨				
< £25m	< £10m	→ Request	→ Endorse	→ Assure	▨		→ Endorse	✓ Approve	▨				
< £50m	< £25m	→ Request	→ Endorse	→ Assure	▨		→ Endorse	→ Endorse	→ Assure	✓ Approve			
< £100m		→ Request	→ Endorse	→ Assure	▨		→ Endorse	→ Endorse	→ Assure	→ Endorse	→ Assure	✓ Approve	
> £100m	> £25m	→ Request	→ Endorse	→ Assure	▨		→ Endorse	→ Endorse	→ Assure	→ Endorse	→ Assure	→ Endorse	✓ Approve

* – optional

** – IIPAG involvement can occur, at their discretion, on investments under £50m, but will always be involved on investments over £50m. Their involvement will occur simultaneously with PMO Assurance.

*** - Below the level of F&PC and the Board, approval is granted by a post holder. Post holders may authorise other officers to exercise such delegated authority.

Project Authority Routes*** — Surface Transport		Requester	PMO Assurance (or their agent)	Director	Surface Transport Board	Chief Officer	MD Finance	IIPAG **	Commissioner	P&PP	Finance & Policy Committee	TfL Board
Budgeted	Unbudgeted											
<£500k	▨	→ Request	→ Inform	✓ Approve								
< £5m	< £2m	→ Request	→ Inform	→ Endorse	→ Endorse	✓ Approve	▨	▨				
< £25m	< £10m	→ Request	→ Assure	→ Endorse	→ Endorse	→ Endorse	✓ Approve	▨				
< £50m	< £25m	→ Request	→ Assure	→ Endorse	→ Endorse	→ Endorse	→ Endorse	→ Assure	✓ Approve			
< £100m		→ Request	→ Assure	→ Endorse	→ Endorse	→ Endorse	→ Endorse	→ Assure	→ Endorse	→ Assure	✓ Approve	
> £100m	> £25m	→ Request	→ Assure	→ Endorse	→ Endorse	→ Endorse	→ Endorse	→ Assure	→ Endorse	→ Assure	→ Endorse	✓ Approve

* – optional

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