Project Management Office (PMO) and Process Improvement Framework Document

Supporting Corporate Projects and Driving Organisational Improvements

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1.0	29/01/2026	29/01/2028	Improvement Team	Initial release

PMO and Process Improvement Framework

The 'Project Management Office (PMO) and Process Improvements' programme is a pivotal function within the Council, dedicated to supporting corporate Value for Money. The primary aim of PMO is to reduce project failure and to ensure that all initiatives are delivered effectively, within budget, and aligned to agreed timelines and outcomes. Process Improvement additionally implements new processes and reduces inefficiency in existing processes to ensure we deliver the best services possible. This framework outlines the core functions and approaches that underpin the service, detailing how it supports wider Council activities and delivers value across the organisation.

1. Management of Project Management Office

The MDC Project Management Office (PMO) is dedicated to delivering projects with professionalism, efficiency, and transparency. The Project Management Guidance Document (Appendix A) outlines the key principles, processes, and governance structures of the PMO, including addressing recent audit recommendations to ensure excellence in project delivery. Key principles of our PMO approach are:

- Strategic Alignment: All projects must support the Council's strategic objectives and priorities.
- Stakeholder Engagement: Active communication and involvement throughout the project lifecycle.
- Transparency and Accountability: Clear records, open reporting, and defined responsibilities ensure confidence in project delivery.
- Continuous Improvement: Regular reviews, feedback, and adoption of best practices drive ongoing enhancement of project management processes.
- Risk Management: Proactive identification, assessment, and mitigation of risks to protect project value and outcomes.
- Key Milestones: Are identified, are realistic and documented at the beginning of each project to help track progress effectively.
- Project Baseline: Is established to measure performance and ensure alignment with our objectives.
- Contingency Planning and Risks: Adequate contingency plans are in place to manage any unforeseen delays, risks or issues.

2. Management of Continual Process Improvement

Process improvement is defined as the proactive task of identifying, analysing, and enhancing existing business processes to optimise performance and meet evolving standards of quality. The Process Improvement Guidance Document (Appendix B) is built on the principles of customer-centricity, efficiency and effectiveness, continuous learning and data-driven decision-making. They are:

- Strategic Alignment: Every process improvement initiative is chosen to support the Council's overarching strategic objectives, ensuring resources are directed where they deliver the greatest impact.

- Stakeholder Engagement: Lean Six Sigma (a data driven methodology used to improve business processes) emphasises the active involvement of all stakeholders, including service users, process owners, and leadership, throughout each stage of improvement to foster buy-in and gather diverse insights.
- Transparency and Accountability: Clear documentation, open reporting, and well-defined responsibilities underpin every improvement project, building trust and enabling effective monitoring of progress.
- Continuous Improvement: Teams are encouraged to continually identify and implement further enhancements.
- Data-Driven Decision-Making: Decisions are based on robust data analysis, a core Lean Six Sigma principle, ensuring improvements are evidence-based and measurable in terms of outcomes.
- Process Standardisation: Standardising processes helps to eliminate variation and waste, supporting consistent quality and efficiency across services.
- Customer-Centricity: The voice of the customer is central, with improvements designed to enhance user experience and satisfaction, reflecting Lean Six Sigma's focus on value from the customer's perspective.
- Key Milestones: Realistic milestones are set and documented at the outset, providing clear checkpoints to monitor progress and maintain momentum.

3. Key Performance Indicators (KPIs)

The effectiveness of both the Project Management Office and the Improvement Management functions are monitored and evidenced through a structured KPI framework, split into strategic and service reporting.

Strategic Reporting:

- KPIs for PMO & Improvement Management (IM) are integrated into the Council's balanced scorecard and reported to the Performance, Governance & Audit (PG&A) Committee via exception reports. For example, number of improvements delivered, time saved, and number of identified future improvements.

Service Reporting:

- PMO - Headline & Insights Report: Provides strategic insights to inform decision-making at the organisational level.
- PMO - Highlight Reports: Supports project-level decision-making with key updates and progress summaries.
- Improvement Management Success Reporting: Tracks and measures the success of projects and improvement initiatives, focusing on benefits realisation via the success measured quarterly reporting and the customer star rating monthly reporting.
- Improvement Management KPI (2025): Improve 12 process within 12 months.
- These reports are available/ regularly reported to our Senior Leadership Team (SLT) to inform service challenge and improvement.

4. Future Direction and Impact of Local Government Reform (LGR)

Looking ahead, both the Project Management Office and Improvement Management functions are prepared to evolve in response to changing organisational priorities and

external influences. One of the most significant factors will be the ongoing Local Government Reform (LGR), which is expected to bring about changes in governance structures, service delivery models, and resource allocation.

The LGR could prompt a realignment of priorities, increased collaboration across departments, and a greater emphasis on digital transformation and customer engagement.

As a result, the way in which these services are provided may shift towards more agile, responsive, and integrated approaches. We will continue to use prioritisation to inform the work planning of the teams, to ensure this is approached in a measured way.

The PMO and Improvement Management teams will be prepared to adapt their frameworks, embrace new technologies, and foster a culture of continuous improvement to ensure they continue to deliver value and support organisational objectives in a rapidly changing environment as a result of LGR.

Over the next few years, ongoing monitoring and review of KPIs will be essential to track progress and identify opportunities for further enhancement. Stakeholder feedback and lessons learned from the LGR process will inform future strategies, helping to ensure that both functions remain aligned with the needs of the Council and the communities it serves.

Appendix A

MDC Project Management Office Guidance Document

Setting standards in Project Management across the organisation and keeping in mind constraints such as Time, Cost, Quality, Risk, Benefit and Scope.

1. Project Definition and Classification

To ensure clarity and appropriate management, all projects must be clearly defined and classified at initiation. The PMO team will review and challenge documentation, and work with project managers to ensure this is in place.

It should be noted that business as usual projects are ongoing operational activities that maintain and improve existing processes, systems, and services. The majority of these will be managed in service and not require PMO reporting.

1.1 Project Definition

Each project must have:

- Clear objectives and scope
- Defined deliverables
- Specified start and end dates
- Identified stakeholders and governance structures
- Budget and a delivery plan identified

1.2 Project Classification

Projects are classified based on their nature, complexity, and strategic impact. The following criteria apply:

- Capital Projects: Initiatives involving the creation, acquisition, or improvement of long-term assets such as infrastructure, buildings, or equipment. Capital projects typically involve significant investment, long timelines, and compliance with capital governance frameworks.
- Commercial Projects: Projects focused on revenue generation, service delivery, or the development of commercial ventures, including partnerships, new business lines, and market expansion. These projects are assessed based on business viability, return on investment, and market opportunity.
- Business as usual projects are ongoing operational activities that maintain and improve existing processes, systems, and services. Unlike capital or commercial projects, which involve significant investments and aim to generate new revenue, BAU projects focus on sustaining day-to-day operations. These tasks include routine maintenance, Business system updates, compliance activities, and minor enhancements. They are typically funded through operational budgets and are essential for ensuring stability, reducing risks, and maintaining service quality.
- High risk vs low risk: The PMO has two business cases to support in the categorisation of project risk which are available on the PMO SharePoint -

Low Risk project: Routine Projects, Limited Stakeholder Involvement, low impact to business operations, low risk to organisation reputation.
High Risk project: Extensive Stakeholder Involvement, high impact to business operations, high risk to organisation reputation, High member involvement, legal implications i.e. legislative requirements. When the business case is submitted to the PMO, the PMO board will review the risk level selected and confirm if the high risk or low risk Business case would be more appropriate for the respective project.

Other project types may be defined as needed, with clear criteria documented in the PMO manual. All projects must be categorised at initiation to ensure appropriate management and reporting.

2. Roles and Responsibilities

To ensure accountability and clarity, roles and responsibilities for all project team members are defined as follows:

- Project Sponsor: Provides strategic direction, secures funding, and champions the project at the executive level. Challenges delivery and offers strategic solutions as required.
- Project Manager: Leads the project, responsible for planning, execution, monitoring, closure, and delivery of outcomes to agreed standards.
- Project Team Members: Carry out tasks and deliverables as assigned, contributing expertise and collaborating to achieve project objectives.
- Stakeholders: Individuals or groups affected by or influencing the project; their interests must be identified and managed throughout the project lifecycle.
- PMO: Provides guidance, tools, standards, and oversight, ensuring projects comply with established processes and best practices.
- Governance Boards (SLT and Project Delivery): Oversee strategic alignment, resolve escalated issues, and authorise key decisions.

3. Key PMO Processes

- Project Initiation: Develop business case, define scope, classify project, assign roles, complete feasibility and stakeholder analysis, and obtain approvals including budget/ finance.
- Project Planning: Create a detailed project plan and schedule, allocate resources, identify risks, and establish communication protocols.
- Project Execution: Coordinate tasks, assure quality, manage changes, and monitor performance against the plan.
- Project Monitoring and Control: Track progress, report status, analyse variances, manage issues and risks, and ensure transparency.
- Project Closure: Deliver final outputs, conduct performance review, capture lessons learned, and archive documentation.

4. PMO Tools and Templates

The PMO provides standardised templates and tools to support all project phases, these are available on the PMO SharePoint.

5. Project Management App

All projects under the PMO's oversight are managed through the project management app. Project managers are required to upload all project information, submit monthly highlight reports, change requests, closure reports, and benefits realization.

Available on Microsoft teams Power Apps

6. PMO Governance Structure

Oversight and decision-making are maintained throughout:

- SLT Governance Board: Strategic guidance and escalation resolution (monthly) – Chief Executive plus Directors
- Project Delivery Board: Oversight of project delivery and alignment (monthly) – Heads of Service PMO: Standards, support, and compliance monitoring

7. PMO process maps

You can view the process maps detailing MDC’s PMO governance process on the PMO SharePoint.

Conclusion

By incorporating clear project definitions, classification criteria, and defined roles and responsibilities, the MDC PMO ensures that all projects are categorised and managed appropriately. This approach supports recent audit recommendations, improves accountability, and underpins effective delivery of strategic and operational Value for Money in the Council and the communities it serves.

For further details and resources, consult the PMO SharePoint.

Appendix B

MDC Process Improvement Guidance Document

1. Purpose and Principles

This framework is built on the principles of:

- **Customer-centricity**
- **Efficiency and effectiveness**
- **Continuous learning**
- **Data-driven decision-making**

2. Team Structure and Governance

- **Core Team:** Currently two dedicated roles, including 1.5 FTE specialist officers.
- **Delivery Teams**: Formed per project, including Subject Matter Experts (SMEs) from relevant service areas and we hope to include dedicated continuous improvement staff.
- **Leadership Oversight**: Senior Leadership Team (SLT) review progress and ensure alignment with strategic goals via PMO and receive regular KPI reporting to allow oversight and challenge of service level improvements.

3. Improvement Pathways

Three pathways allow flexibility based on project complexity:

- **Self-Serve**: Teams use templates and training to lead their own improvements.
- **Supported**: Process Improvement Specialists guide quick wins which can include building online forms, facilitating workshops and producing documentation.
- **Managed**: Full DMAIC cycle (Define, Measure, Analyse, Improve, Control) or Agile approach for complex projects.

4. Prioritisation and Proactive Approach

- **Proactive Approach**: We aim to have dedicated staff with continuous improvement responsibilities within each service area to work with the Process Improvement Team.

  We will use a service dependant process list (found on SharePoint) to begin this approach, ensuring standardised process documentation and process ownership confirmation, this will also prepare us for LGR.

  Monthly review of projects and improvements with Directors.

- **Scoring Matrix**: Projects are evaluated using weighted criteria such as customer impact, statutory need, volume, and process mistakes (defects).
- **Feedback Channels**: Staff and customer feedback forms feed into prioritisation.
- **Member Champions**: Councillors provide customer insight and help shape priorities.

5. Standardise Process Documentation

- **Map current processes**: Use tools like Visio and excel to produce As Is, Value Stream and To Be process maps.
- **Identify pain points**: Look for bottlenecks, blockages, and non-value-adding steps documented via the A3 document.
- **Maintain a central repository**: Ensure easy access to process documentation for transparency and consistency.

6. Training and Capacity Building

- **Foundation improvement training (White and Yellow Belt)** : Delivered to staff and included in onboarding packs to new members of staff.
- **Advanced Improvement Champions (Green Belt)**: Delegates across service areas lead local improvements and share learnings, which we will aim to be built into job descriptions for dedicated continuous improvement staff.

7. Tools and Technology

- **Online Forms**: Used for customer-facing process redesign.
- **Automation and Integration**: Focus on reducing manual interventions and improving back-office efficiency, utilising current technologies such as the Microsoft suite and form integrations.
- **Power BI and GIS**: Used for data visualisation and spatial analysis in improvement projects.

8. Monitoring and Reporting

- **Programme Reporting:** Regular updates to SLT leadership and governance boards via PMO.
- **Benefit Realisation**: Measurement of outcomes, including cost savings, time reduction, and customer satisfaction.