

Glasgow City Council Internal Audit Section

Glasgow City Region Cabinet Report

Stakeholder Engagement & Managing Relationships

1 Introduction

- 1.1 The Glasgow City Region Local Authorities (Member Authorities) entered into a City Deal with the UK and Scottish Governments in August 2014 (the City Deal). All Projects within the City Deal programme are monitored, scrutinised and challenged by, and are accountable to, the Glasgow City Region Programme Management Office (PMO).
- 1.2 To successfully deliver the programme, member authority City Deal project teams are required to work closely with other parties, both internally and externally, therefore appropriate stakeholder engagement and relationship management arrangements are crucial.
- 1.3 The purpose of the audit was to gain assurance that these arrangements are in place across the City Region, and for individual City Deal projects. The scope of the audit included:
- Arrangements between member authorities, the PMO and other parties involved in City Deal projects across the region.
 - Availability of documented guidance and awareness of City Deal stakeholder engagement requirements.
 - Roles & responsibilities of key officers and teams.
 - Identification of key stakeholders within business cases.
 - Stakeholder engagement, including consideration of dependencies/interdependencies and risk associated with each stakeholder.
- Monitoring and management of associated risks and dependencies.
 - Confirming that engagement arrangements with other parties are working as expected.
 - Training or experience gaps.
 - The impact of project dependencies with other parties on a sample of City Deal projects.
 - Lessons learned arrangements.
 - Best practice arrangements.
- 1.4 The sample of projects that were selected for review were:
- Glasgow City Council – Holland St/Pitt St and Windmillcroft Quay.
 - Renfrewshire Council – Glasgow Airport Investment Area.
 - South Lanarkshire Council – A72/M74 Signalisation and Jackton Primary School.
 - West Dunbartonshire Council – Exxon Site Development.

2 Audit Opinion

- 2.1 Based on the audit work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified some scope for improvement in the existing arrangements and two recommendations which management should address.

3 Main Findings

- 3.1 We are pleased to report that a number of key controls are in place and generally operating effectively. We found that all member authorities conduct stakeholder analysis, which is included within the business case for each City Deal project. The business case is subject to an appraisal by the PMO using a standardised set of questions, which includes confirming that the main stakeholder groups and dependencies on internal and external factors have been identified and details of how these will be managed.
- 3.2 We were advised that Project Managers and relevant Project Officers within member authorities are PRINCE2 certified and undertake the Better Business Case training course when this is offered by the PMO – this is an HM Treasury approach to public spending and includes aspects of relationship management and stakeholder engagement. We confirmed that the next round of Better Business Case training is being scheduled by the PMO for early 2024 and member authorities have been invited to elect City Deal Project Officers to attend this course.
- 3.3 Member authorities have adequate internal arrangements in place for monitoring the progress of City Deal projects and addressing issues as they arise – examples include a City Deal and Infrastructure Programme Board in Renfrewshire Council and a City Deal Infrastructure Group in South Lanarkshire Council. There are also adequate reporting and escalation processes in place to ensure that any issues relating to managing relationships and stakeholder engagement are scrutinised by the appropriate senior officers.
- 3.4 We confirmed that member authorities produce a quarterly Project Status Report for each City Deal project which is submitted to the PMO, providing key updates on the project progress including issues and actions, financial information and benefits tracking, change control requests and updates on projects risks. This report would also highlight any issues in relation to stakeholder engagement and relationship management.

- 3.5 We also found that there were adequate arrangements in place for member authorities to escalate issues to the PMO between Project Status Report reporting dates. This includes providing an update to the project commentary reported in the PMO Interim Performance Report on an exception basis, and individual quarterly meetings with the PMO in which member authorities provide an update for each project including any risks or issues that may have arisen.
- 3.6 We confirmed that best practice arrangements are shared between the PMO and member authorities at Lead Officer Group meetings.
- 3.7 However, we noted that there are some areas where improvements could be made. Although member authorities conduct stakeholder analysis and consultations as part of the business case formulation, and while a Programme Management Toolkit is maintained by the PMO and made available to member authorities, there is no specific guidance notes or documentation in place to assist member authorities with stakeholder analysis requirements and in the production of a stakeholder matrix which maps a stakeholder's relationship/role with the project and their ability to impact it.
- 3.8 We also found that lessons learned exercises are conducted by member authorities at the end of a project or at key milestones during a project's lifespan. However, we found that two of the member authorities did not maintain a lessons learned log throughout the duration of the projects reviewed.

- 3.9 An action plan is provided at section four outlining our observations, risks and recommendations. We have made two recommendations for improvement. The priority of each recommendation is:

Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	1
Low	Lower level controls absent, not being operated as designed or could be improved.	1
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.10 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.11 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.12 It is recommended that the Head of Audit and Inspection submits a further report to Cabinet on the implementation of the actions contained in the attached Action Plan.

4 Action Plan

No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Stakeholder engagement procedures and guidance are kept up to date to ensure they accurately reflect current working practices.				
1	<p>Member authorities conduct stakeholder analysis which is included within the business case for each City Deal Project. A Programme Management Toolkit and business case appraisal template are available to member authorities to assist in the production of business cases.</p> <p>However, there is no formal guidance on the actions required, or the considerations that should be given in completion of a stakeholder analysis including the production of a stakeholder matrix and the development of a communication and engagement plan for each stakeholder group.</p> <p>This increases the risk that stakeholders may not be identified in a timely manner and appropriate arrangements are not put in place to manage the expectations of, and relationship with, key stakeholder groups including those where project dependencies exist.</p>	<p>The PMO should update the Programme Management Toolkit to assist member authorities with stakeholder engagement and relationship management.</p> <p>The Toolkit should outline the expectations of member authorities and provide assistance with the production of a stakeholder matrix and a communication and engagement plan for key stakeholder groups.</p> <p>Once the Toolkit has been updated this should be shared with City Deal member authorities.</p>	Medium	<p>Response:</p> <p>Recommendation accepted. Toolkit will be updated as per recommendation.</p> <p>Officer Responsible for Implementation:</p> <p>Communication and Marketing Manager</p> <p>Timescales for Implementation:</p> <p>April 2024</p>

o.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Adequate arrangements are in place to capture and record lessons learned.				
2	<p>We found that lessons learned exercises are conducted by member authorities at the end of a project or at key milestones during a project's lifespan.</p> <p>However, we found that two of the member authorities do not maintain a lessons learned log throughout the project.</p> <p>The City Deal Project Management Toolkit requires that a lessons learned log is maintained. This is particularly important for long term projects and those with a high volume of sub-projects. Without documenting these at key milestones and recording in a log, there is an increased risk that key points or factors that could be classed as a lesson learned are missed.</p>	The PMO should remind all member authorities of the requirement to record and maintain a lessons learned log throughout the duration of a project.	Low	<p>Response:</p> <p>Recommendation accepted. Reminder will be issued to Lead Officers, Will be discussed at 22 April 2024 Lead Officer Group (LOG) meeting.</p> <p>Officer Responsible for Implementation:</p> <p>City Deal Programme Manager</p> <p>Timescales for Implementation:</p> <p>April 2024</p>