

Report title

Agenda item

Future Options for Training (FoFT) - Project Closure Report

Meeting

CMB

Date

6 March 2013

Report by

Director of Operational Resilience and Training

Document Number

Public

Summary

The purpose of the Future Options for Training (FoFT) project was to identify options which would deliver improved training facilities providing realistic training within a risk assessed and managed environment to support the full range, complexity and volume of the Authority’s training requirements. The preferred option was also expected to include a model which would increase the amount of training delivered on a local basis maximising training at evening and weekends. A detailed benefits analysis was made of each of the options available and the outsourced option was chosen as the preferred solution.

For decision

That CMB approve the FOFT project closedown report.

Matters still for resolution by CMB

There are no matters for resolution by CMB.

Interim Head of Legal and Democratic Services comments

The Interim Head of Legal and Democratic Services has no comments.

Director of Finance and Contractual Services comments

The Director of Finance and Contractual Services has commented in the lessons learned section of this report.

Project Closure & Lessons Learned

Completed by:
Project Sponsor:
Project Manager:

Peter Groves, Head of Training Assurance and Business Relationship
Gary Reason, Director of Operational Resilience and Training
Peter Groves, Head of Training Assurance and Business Relationship

Project: **Future Options for Training (FOFT)**

DOCUMENT HISTORY		
Version Number	Date	Summary of Changes
V1		Initial draft
V2	16/7/12	Project Management Office comments
V3	23/07/12	Revised version to incorporate stakeholder comments
V4	12/10/12	Revised version to incorporate senior stakeholder comments
V5	10/12/12	Revised version to incorporate comments received from the Director of Operational Resilience and Training and the Head of Human Resources and Development
V6	04/02/13	Revised version to incorporate additional comments received from the Director of Operational Resilience and Training

Project Objective
The Authority will have a fully managed outsourced training delivery function with effect from 1 April 2012.
Project Background
As previously reported in FEP 1393 (July 2009), the Authority's current training facilities are no longer considered suitable to support the full range, complexity and volume of the Authority's training requirements. Escalating training requirements have stretched the training property portfolio to the point where it was agreed by the Authority that officers should investigate the potential for securing an improved delivery model and associated facilities.
FEP 1393 contained details of a preferred training model for the future and approval was given to test the market to assess potential interest and readiness to deliver those requirements and on what basis that delivery

might take place.

FEP 1483 (January 2010) provided feedback on the outcomes of the soft market testing analysis. It was evident from the level of responses that there was considerable interest from training providers in working with the Authority. Officers were given approval to issue an OJEU notice inviting the market to respond to the Authority's training output based specification and through a competitive dialogue process help to formulate with potential bidders ways in which the outcomes of the preferred training delivery model could be achieved.

FEP 1829/A reported back on the outcome of the competitive dialogue process and provided a detailed economic appraisal of an outsourced option against options where the Authority continued to provide the service in house (business as usual) together with a capital investment option funded by the Authority. The report recommended that the future provision of training be outsourced with a contract being awarded to Babcock Training Limited.

Strategic Alignment

This project aligned with the following aims as detailed in the London Safety Plan 2008-2011 and the Corporate Plan 2008-2011.

Aim 4 Resources: Managing risk by using our resources flexibly, efficiently and effectively, continuously improving the way we use public money

Aim 5 People: Working together to deliver the highest quality services within a safe and positive environment for everyone in the organisation.

The project aimed to improve training related preventative and mitigation control measures contained within the corporate risk register (CRR), specifically:

Preventative controls:

- CRR1 – Safe system of work
- CRR2 – Leadership
- CRR15 – Approach to partnerships
- CRR16 – Diversity of workforce
- CRR24 – Funding uncertainty
- CRR35 – Developing our people

Mitigation controls:

- CRR28 – Targeting protection activity
- CRR29 – Quality of response

Re-state the benefits expected from the project

Categories	Description
Future cost avoidance	On a net present value basis, the outsourced option has a value for money cost of £238m compared with £303.7m to deliver the business as usual. Over the life of the contract (25 years), projected savings of £66m should be realised.
Improved service effectiveness	An increased amount of training will be delivered on a local basis reducing the amount of time that crews/delegates have to travel to training venues. Greater flexibility in training which will result in an increase of evening and weekend training delivery.

	<p>This will increase productivity and provide greater flexibility for programming training delivery.</p> <p>Babcock are yet to deliver this business benefit and have been instructed to increase weekend training into quarters 3 and 4 of the 2012/13 revised training delivery programme.</p>
Efficient resource utilisation	<p>Introduction of blended training packages with a greater use of computer based training leading to a reduction on the need for trainer facilitated delivery away from the workplace. The Training Delivery Plan working group which forms part of the contractual governance arrangements oversees and agrees new courses and changes to existing courses. This working group to date has primarily been involved in approving changes to existing courses and the publication of station training packages to support policy changes. To date one CBT package on aerial training has been commissioned. Further packages will be developed as part of the 'course review' process that will see all extant courses being revamped by April 2015. It is anticipated that as this is an on-going process that some initial changes will be delivered 2013/14.</p>
Revenue generation	<p>Babcock will utilise spare capacity by selling courses to third parties and the use of its facilities for external events. Spare capacity will be marketed to third parties such as other fire and rescue services and local, national and international companies. Third party revenue will be shared with a guarantee of a minimum of £100k for the Authority per annum irrespective of whether third party revenue is actually achieved. Additional net income in excess of £100k will be shared 50:50. Babcock have also stated that any cost savings realised in the management of the contract will be shared 60:40 in Babcock's favour with any excess profit (i.e. above a margin of 15%) being shared 80:20 in the Authority's favour. Babcock are required to submit a gain share certificate no later than 3 months following the end of every contract year.</p>
What arrangements are in place to realise these benefits?	
<p>There are two major governance Boards – Performance and Commissioning Board and Contract Management Group supported by 5 working groups dealing with scheduling and allocation; health and safety; secondees recruitment; commissioning of new training and revisions to existing training and an ICT infrastructure working group. A copy of the terms of reference for these governance Boards and working groups is attached as Appendix A. Weekly training performance updates are presented to the Commissioner's Group as well as quarterly performance reports to the Corporate Management Board and the Resources Committee.</p>	
In scope	
<p>The scope of the project was to measure the market's interest to deliver the following training curriculums to</p>	

the preferred training delivery model outlined in FEP 1393:

- BA and real fire training
- Incident management training
- Rescue skills training
- Safety skills training
- Transport training
- Equality and diversity training
- Initial firefighter development programme
- IT training
- Leadership and Management training
- Personal skills training
- Fire safety training
- Fire investigation training
- Health and safety training
- Special operations training

Out of scope

The training services previously provided by the Commercial Training Unit (CTU) and Brigade control training teams were excluded from the scope of this project.

Were any changes approved after the original project plan? If so what effect did this have?

The project end date was brought forward following the Authority's decision to fast track the outline and detailed dialogue sessions. The time allotted for the initial and final detailed dialogue sessions were truncated. The initial dialogues were reduced from 8 to 7 weeks and the final detailed dialogues were reduced from 12 to 7 weeks.

This change affected bidders and resulted in a significant number of clarification questions (628 over the 7 week period), which had to be handled by the project team outside of the programmed meetings due to the increased workload. These clarifications would have ordinarily be handled as part of the dialogues meetings but time did not permit.

With regard to the final detailed dialogue, this resulted in a total of 62 daily themed meetings with bidders. Since this involved all project team members, the issues which arose from the individual meetings had to be handled out of working hours. The compressed timelines restricted both sides in developing, shaping and exploring all of the practical implications of how the final solution would be delivered from day one of the contract. The chosen contractor did prefer a phased implementation approach, but this was not supported by the Authority.

List all key products delivered as part of this project

The project has delivered a fully outsourced training delivery model as outlined in FEP 1829. Training delivery and associated training services delivered within the scope of the project comprise of:

- BA and real fire training
- Incident management training
- Rescue skills training
- Safety skills training
- Transport training
- Equality and diversity training
- Initial firefighter development programme
- IT training
- Leadership and Management training

<ul style="list-style-type: none"> • Personal skills training • Fire safety training • Fire investigation training • Health and safety training • Special operations training • Course registration and administration • Computer based training (CBT) • Training equipment management • Training course evaluation at level 1 & 2 of the Kirkpatrick Model 	
Original Project End Date	Actual Project End Date
31 March 2013	30 June 2012
Reasons for difference between the original and actual delivery end date	
<p>The project end date was brought forward following the Authority's decision to fast track the outline and detailed dialogue sessions.</p>	
Original Project Budget	Actual Project Spend
2010 – 2012 £1,701,385	2010-2012 £1,282,768
Reasons for cost variation	
<p>At the project start in 2008, resources were managed within existing T&D budgets. A dedicated project team was established for 2010/11 and 2011/12. A variance of approximately £419k underspent is recorded for the duration of the project.</p> <p>Most of the underspend is derived from the financial year 2010-11 when a variance of £469k was recorded; this resulted from a saving in the costs of external subject matter expert and consultant services. This was mainly attributable to a reduced need for consultant's services in dialogue meetings arising from the project's truncated timescales.</p> <p>An overspend of £52k was recorded for 2011-12, which resulted from a greater draw on agency staff and external facilities; both areas were required as a direct result of the Authority directive to achieve contract commencement by 1st April 2012.</p> <p>As part of closing the project, Heads of Service were asked to identify whether they anticipated any costs associated with outstanding work streams, which they would seek to recover from the project budget. Expenditure of £27k was identified for FRS agency staff costs and £24k for residual costs for professional services/consultant fees. These costs are included in the final outturn spend.</p>	
Issues still open	
<ul style="list-style-type: none"> • Process for overseeing and approving the construction of the two new dedicated training facilities. 	
How will these issues be managed and by whom?	
<p>A task and finish group chaired by the Director of Operational Resilience and Training has been established (Jan 2013), which will now oversee the development and delivery of the new training centres and the exit of Babcock from Southwark Training Centre. In terms of governance, if any problems arise relating to property issues these will either be escalated to the Contract Management Group or the Performance and</p>	

Commissioning Board for decision/direction.	
Risks still open	
<p>Strict governance processes are required to manage the contract. Consequently robust business processes and governance arrangements relating to quality assurance and the commissioning of training have been developed. These will ensure that Babcock provides a quality service and complies with the conditions of the contract.</p> <p>The following risk remains open and is under review:</p> <ol style="list-style-type: none"> 1. Dedicated Training Facilities (DTFs) – Discussions are on going with officers and Babcock's Director of Emergency Services Training to increase the provision of BA carbonaceous training. 2. Greater flexibility in training which will result in an increase of evening and weekend training delivery –Discussions are on going with officers and Babcock's Director of Fire Service Training to introduce evening and weekend training on a course by course basis in for the 2013/14 Training Delivery Plan. 	
Who will own the open risks?	
Head of Human Resources and Development.	
Other Transition Information	
Not applicable	
Overall Project Review (what went well?)	
<ul style="list-style-type: none"> • Engagement and use of external financial and legal advisors • Use of external advisors as critical friends in the early stages of the competitive dialogue process. • LFB's dialogue team receiving externally provided competitive dialogue training • Use of bluelight an e-tender portal which ensured document configuration management and a central data centre for the receipt and response of bidders' questions with a clear audit trace. • Communication to staff; the development of a dedicated mailbox and a set of Frequently Asked Questions (FAQ) which were regularly updated. • Communication and engagement with staff sides. • The themed approach to dialogue with individual meetings for a range of subjects, e.g., ICT, Governance, Training Delivery, Legal/Commercial, etc. • A dedicated project management team who reacted positively and effectively to project milestone changes 	
What was problematic? (Lesson identified)	How would you address this problem next time? (Lesson learned)
The time allotted for the final dialogue sessions was reduced from 12 to 7 weeks. This resulted in a total of 62 daily themed meetings with bidders compressed into a significantly truncated timescale. This resulted in dialogue meetings becoming too condensed, with often with more than one occurring at the same time.	Since this involved all project team members issues that arose from the individual meetings were handled outside of the staff's core working hours. This not only impacted on the project team it also affected the key stakeholders who were required to respond to questions within strict deadlines, it also had an impact

<p>This change also affected bidders and resulted in a significant number of clarification questions (628 over the 7 week period), which were handled outside of the meetings by the project team. These clarifications would ordinarily be expected to have been handled as part of the dialogues meetings but time did not permit.</p>	<p>on the staff's ability to respond to their core responsibilities. This issue was compounded as certain key stakeholder staff had to participate in multiple competitive dialogue meetings. This level of stakeholder commitment is not reasonable for such a complex project as the staff still had workload pressures and responsibilities associated with their core roles.</p> <p>Additional project support would have been beneficial and should have been recruited at an earlier stage.</p>
<p>Compilation of a comprehensive suite of informative documents for bidders; specifically Course Guides, training course Output Based Specifications (OBS) & Training Delivery Programme (TDP). There were a number of conflicts in course titles and terminology which caused the bidders some confusion.</p>	<p>Implement a single point of document control.</p>
<p>In some areas the tender evaluation criteria were too generic and would have benefitted from greater detail.</p>	<p>Greater quality control of the development of evaluation criteria from the many subject matter experts and focus on what is to be elicited from the response. In addition to internal stakeholders benefitting from coaching/training in writing evaluation criteria, the compressed timeline potentially impacted on their ability and capacity to deliver this task due to conflicting workloads.</p>
<p>The original timeline for implementation was twelve months. At the Authority's request this was subsequently reduced to four months.</p> <p>Babcock has attributed its poor performance in the first quarter of the year to the fact that the transition from internal delivery to outsourced delivery was compressed. The contract was signed on 28 February 2012 with implementation occurring four weeks later on 1 April 2012. Prior to the contract being signed it was anticipated that Babcock would take some risk by developing staffing structures, engaging trainers, procuring resources and developing business processes after being identified as the preferred bidder on 8 December 2011. However, there was a limit to the financial and legal exposure that Babcock was prepared to take prior to the contract being signed and it is evident that this decision had a significant impact on their ability to deliver in the first quarter of the year.</p>	<p>On both sides the establishment of dedicated teams whose sole responsibility is to implement the new service and manage and resolve transition issues would have been advantageous..</p> <p>A staged implementation would also have been preferred from a training delivery perspective. This would have enabled the Brigade to better plan movement of staff from T&D to stations.</p>
<p>Post Project Review Date (Dates you will review the performance of the deliverables or benefits)</p>	
<p>This will be achieved through the agreed function of the newly established teams within HRD and the monthly contractual governance meetings, which will specifically review contract performance against contractually agreed KPIs. Quarterly performance reports are also presented to the Corporate Management Board and the Resources Committee.</p>	

Where will all project documentation be stored on closure?
All documentation is currently stored in a protected folder on the shared drive \\file01\Project. Arrangements will be made to transfer contents of the FOFT folder to the Corporate Projects Site.
Stakeholder/Senior User Comment
<p>These comments should be taken in the context of the 'steady state' solution not yet being realised and that full roll out of all the DTFs has not yet been completed. Therefore, at present training is not being delivered in its final configuration.</p> <p>Although we have yet to see a significant increase of training at evenings and weekends it is anticipated that this project objective will be delivered thereby increasing capacity and flexibility going forward.</p> <p>The scope and complexity of this project has caused a significant amount of challenge, which is reflected in the volume of candidates trained so far falling below the throughput detailed in the original Training Delivery Plan. Babcock's under performance in Quarter 1 resulted in the following consequences:</p> <ul style="list-style-type: none"> • Loss of confidence in the contractor (particularly station personnel) as a large number of courses have been rescheduled, many at the last minute, which caused difficulties for staff; • Under utilisation of strategic resource due to short notice cancellations of training. • An increase in the number of standbys due to the revised training delivery programme causing a greater number of staff being removed from the same watch than would normally be allowed. To alleviate some of the impact of the revised training programme Babcock have now commenced (from the end of Nov 2012) additional training at weekends. • Staff not receiving training in accordance with the agreed TDP particularly in relation to the first 3-month's performance. It should be noted that in response to first quarter (Q1) issues Babcock has now revised the TDP that will enable them to recover the majority of the training detailed in the 2013/14 TDP by year end. Babcock's performance in Q2 and Q3 has significantly improved and officer's are confident that the commitments made in the revised TDP will met by the end of March 13. • Increased travel distances for delegates to attend certain training venues (caused by the loss of some training venues); and • Cost – To date short notice and on-the-day cancellations of training have cost £30k (increase in standby allowance payments and travel/subsistence expenses for staff). This figure has been more offset by the performance abatements applied to the contract during the year.