



Project Initiation Document

Project Name: Manufacturing and Productivity Support Post 2008

Inside this PID

Page 2

Contents

Page 3

Detailed PID

Project Name	Manufacturing and Productivity Support Post 2008	1
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

Contents

1. Document Control
2. Project Background
3. About the project
 - Purpose and objectives of the project
 - Project scope
 - Deliverables
 - Constraints
 - Interfaces
4. Assumptions
5. Project Team
6. Project Plan
7. Project Controls
8. Exceptions Procedures
9. Risk and Contingency Plans
10. Communication
11. Project Filing
12. Sign Off
13. Expenditure
14. Appendices

Project Name	Manufacturing and Productivity Support Post 2008	2
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

1. Document Control

The project manager will make all changes that need to be made to the document and updated versions will be added to the Agency Project Management System, SharePoint.

Purpose of Document

The purpose of this document is to detail the key issues and activities, which must be completed in order to put in place an integrated and enhanced manufacturing and productivity support service post 2008, including the Manufacturing Advisory Service (MAS) and North East Productivity Alliance (NEPA) Best Practice project and potentially other related services. It will set out the workstreams and milestones, which need to be achieved.

Key Deliverables:

- Project Initiation Document and Timeline
- Detailed Project Plans
- OJEU notice in August, PQQ, Tender Specification, Selection and Contracting within timeframe
- Approval of funding in advance of new service starting
- Enhanced MAS service in place from April 2008
- If April 2008 deadline is not achievable, to make case for any necessary extension and put in place interim arrangements

2. Project Background

In April 2007, the Strategic Directors Team discussed a paper exploring the impact of changes to MAS and the future direction of manufacturing and productivity support within the region. The key issues identified were:

- The enhanced MAS must be operational/available in the region from 1st of April 2008 with an increased set of products, in accordance with the national specification
- The current MAS service is contracted to run until end of March 2008, and the new service requires new contract arrangements to be put in place by 1st of April 2008. Therefore, there is a

Project Name	Manufacturing and Productivity Support Post 2008	3
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

requirement for a procurement process in accordance with OJEU to be undertaken as soon as possible.

- If the deadline of April 2008 is considered not to be achievable, an appropriate extension needs to be agreed and interim arrangements put in place to ensure that elements of the enhanced service can be delivered from April 2008. Once detailed timeline has been completed (mid July 2007), a case will be made to the Project Board if appropriate.
- Funding for the NEPA Best Practice project ends at the end of March 2009. DTI (now known as Department for Business, Enterprise and Regulatory Reform, BERR) has indicated that they will not approve continuation funding for NEPA so long as it remains as an Agency delivered project and with the current levels of subsidy offered to participating businesses.
- The current NEPA business model based on large subsidies is not sustainable in the long term. A new model based on greater contributions and more fully recognizing contribution in kind, needs to be developed
- MAS will increase its set of core products. This expansion overlaps with some of the work of NEPA and could provide a lack of clarity around the customer journey. There is therefore a growing need to integrate the services in order to continue to deliver a first class regional manufacturing service
- DTI/BERR is behind in the original timetable for the development of the enhanced MAS service. DTI has recognised the need for regional variations although the extent of this is not clear. We are working with them to clarify this
- At this stage, DTI/BERR has also not specified the level and type of intervention required by each of its core products. The North East is one of the first regions to implement the guidance and so the Agency needs to formally and fully engage DTI in our process
- In May 2007, Strategic Directors received an options analysis paper for MAS and NEPA in the North East and approved Option 3 which was to undertake full procurement by issuing a single contract notice which integrates MAS and NEPA activity
- Strategic Directors have made it clear that they would like to see three core objectives fulfilled when undertaking Option 3 and that is as follows:

a) Ensure the protection and integrity of the NEPA brand

Project Name	Manufacturing and Productivity Support Post 2008	4
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

- b) Ensure ONE continues its association with the NEPA brand and its positive reputation
- c) Ensure that ONE maintains a level of management control

3. About the Project

3.1 Purpose and objectives of the project

To scope, develop and put in place a regional manufacturing support offering which contributes to the objectives of the Regional Economic Strategy.

The key objectives for the project are:

- To put in place an enhanced NEPA Best Practice/MAS service. This will be done by undertaking a full OJEU procurement process and will be structured to allow additional services to be delivered via this route at a later stage if required.
- Agree the extent of the offer – what is included in the service in addition to NEPA Best Practice/MAS. Ensure additional services can be accommodated at a later stage if required.
- Protect the integrity and quality of the current NEPA/MAS offer
- Protect the integrity of the NEPA brand
- Put in place funding approvals for MAS, NEPA Best Practice and any other agreed related services, including funding under the new European Programme where this is appropriate.
- Agree the timeframe for the service. (MAS funding currently agreed for 2008 – 2011. NEPA Best Practice funding currently due to end March 2009)
- Develop a business case for NEPA/MAS and any other agreed related services and take through the process of HOTs, Directors, Board, CPRG and Treasury where appropriate.
- Obtain maximum value for money through the most effective procurement including minimizing irrecoverable VAT and write down costs.

3.2 Project Scope

- Using the full European Procurement procedures, procure and contract NEPA Best Practice/MAS service. The enhanced MAS service will be based upon the national specification and will need to be in place by April 2008. Nationally, funding is

Project Name	Manufacturing and Productivity Support Post 2008	5
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

currently agreed to April 2011. NEPA Best Practise is currently approved until March 2009 and the new arrangements will need to be in place by then.

- Consider on a case-by-case basis any other related services which could be included alongside the MAS/NEPA Best Practice package. In particular, consider Sustainable Resources, ONE's design for manufacturing projects and other NEPA services. Where the decision is taken not to include a manufacturing related service, explore the necessary interfaces and linkages with NEPA/MAS.
- Ensure stakeholders (internal and external) are fully engaged and communicated with appropriately.
- Ensure a comprehensive scoping of the HR implications of procuring the MAS and NEPA services, in particular that TUPE and pensions are examined and managed appropriately.
- Look to create a potential internal model of best practice for "extending enterprise" for use with other potential externally contracted services.
- Create a flexible model, which has the capacity to encompass additional services that are considered appropriate.
- The project scope will need to consider activities beyond the contracting of the service, and this will need to include considerations for overseeing the transition of NEPA Best Practice/MAS once contracting has taken place. The make up of the project team will need to be considered at this stage.

Activities outside the scope of the project:

- The project scope will not encompass day-to-day operational aspects of NEPA Best Practice/MAS.

3.3 Deliverables

A series of workstreams will be developed, all of which will contribute to the overall outcome of the effective procurement and contracting of MAS and NEPA Best Practice services.

The workstreams are outlined below:

Project Name	Manufacturing and Productivity Support Post 2008	6
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

Workstream 1 Management and Co-ordination – To ensure that the overall project is delivered appropriately and within the timescales and to the scope defined in Project Scope of this document.

Key Milestones

- Regular project team meetings take place, where all team members report on progress in relation to the overall project team. Deadline – On –going weekly
- Regular Project Board meetings take place where the Project Manager can report on progress, seek advice and direction and decisions on specific matters as required. Deadline – monthly
- Project High Level Plan - by June 2007
- Project Initiation Document developed which outlines the scope of the project and is used to track progress in team and Board meetings – end of July 2007. This will be reviewed and updated as and when required.
- Detailed plan developed – end of July 2007
- Maintain Risk Log – updated weekly on SharePoint
- Maintain Issue Log – updated weekly on SharePoint
- Ensure compliance with OGC Gateway Review requirements at key stages

Workstream leads: Dorothy Kelly, Maeve Collier and Sanjee Ratnatunga

Workstream 2 Communications – To determine key stakeholders/users and agree levels of involvement and interfaces and to ensure that internal and external stakeholders, regionally and nationally are given appropriate and consistent information throughout the process and in a timely fashion. Where appropriate, to consult with stakeholders.

Key Milestones

- Develop a Communications Plan which will include core messages for all stakeholders – July 2007
- Workstream leads: - Sanjee Ratnatunga, Colin Herron - with support from Communications team

Workstream 3 Activity – To define clearly the Manufacturing Support, which will be included in the package of services to be procured.

Key Milestones

- “What is in and what is out?” – produce a draft paper to outline the rationale for including a particular package of services, demonstrate the context in which these services operate and how related services not included in the proposed package will work alongside the procured package of services.” Deadline – August 2007

Project Name	Manufacturing and Productivity Support Post 2008	7
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

- Consult with internal and external stakeholders on the above package of services and amend paper where appropriate. Deadline – August 2007

Workstream 4 Legal/Procurement – To determine the most appropriate vehicle for the effective delivery of the service while offering the Agency the necessary levels of control. If appropriate, obtain Section 5 consents from DTI/BERR for Agency involvement in the new delivery vehicle.

Once agreed, in line with European Procurement Procedures, procure and contract with successful organisation/s to run the newly defined service by April 1st 2008.

Key Milestones

- Contract Notice Issued to Publications Office - 13/08/2007
- Issue the Invitation to Participate in Competitive Dialogue (IPCD)- 15/10/2007
- Evaluate and Shortlist – 12/11/07 – 30/11/07
- Dialogue Phase – 3/12/07 – 9/01/08
- Draft Final tender Document – 9/01/08 – 18/01/08
- Deadline for receipt of Final Tenders – 5/02/08
- Select Preferred Bidder – 22/02/08
- Alcatel -10/03/08 – 19/03/08
- Contract Award – 20/03/08

Workstream leads: Sanjee Ratnatunga, Dorothy Kelly and Anne Vant Hoff

Workstream 5 Human Resources – Ensure a comprehensive scoping of the HR implications of procuring the MAS and NEPA services in particular that TUPE and pensions are fully examined and managed.

- Develop a Human Resources Plan, ensuring TUPE and pension issues are examined ensuring compliance with statutory legislation and Fair Deals for Pensions provisions. Ensure that appropriate time is built in for effective staff consultation periods – Deadline July 2007
- Engage with TRC to ensure that their TUPE information is built into the tender process.
- Attend NEPA meetings to report to staff on progress – Monthly from July 2007

Workstream lead: Gemma Boden

Project Name	Manufacturing and Productivity Support Post 2008	8
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

Workstream 6 Funding/Business Process – Ensure that funding approvals are in place for NEPA Best Practice, MAS and any other agreed related services to be delivered via this route.

- Ensure necessary Agency funds identified for the project – July 2007
- PIP to HOT Panel – July 2007
- Develop business case for MAS/NEPA and any related services– Deadline – end August 2007
- Business Case for MAS/NEPA and any other related services to be approved by HOTs – September 4th 2007
- Information Paper to BDC
- Board Approval – 20th September 2007-07-19
- CPRG
- Treasury

Workstream leads – Maeve Collier, Helen Armstrong and Dorothy Kelly

Workstream 7 Transition – Consider transition issues and ensure that there is a smooth handover from the development phase through to implementation.

Workstream leads – Dorothy Kelly, Sanjee Ratnatunga, and Helen Armstrong

3.4 Method of approach

The project will be managed and largely delivered in-house. A project team has been established and six workstreams have been identified with project leads for each workstream. The team will meet on a weekly basis to report and share progress.

There may be some aspects of the project that will be contracted out, in particular some legal aspects of the process. This will depend upon the availability of the in-house legal team for the time required to deliver this within the timescale.

3.5 Constraints

Time Scales - The time scales for the delivery of this project are very tight. At this stage, it is the expectation of the Project Board that the project is delivered by April 1st 2008. However, the key decision regarding the delivery vehicle for the new service, as well as issues around CPRG/Treasury approvals and issues over pensions will be the key drivers as to whether the project is achievable within the timescales set by the Board and National Government. A paper setting out the implications and options will be submitted to the Project Board on 24th July.

Project Name	Manufacturing and Productivity Support Post 2008	9
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

Resources – Most of the resource implications are in-kind Human Resources for the Project Team and Project Board. They have been calculated on the following basis;

Project Manager – Dorothy Kelly, 2 days per week x 40 weeks = 80 days - 10 (allowance for holidays, sickness, unexpected leave pro rata) = 70 days

Project Team is as follows: -

Colin Herron – 2 days per week x 40 weeks = 80 days –10 (allowance for holidays, sickness, unexpected leave pro rata) = 70 days

Helen Armstrong - 2 days per week x 40 weeks = 80 days –10 (allowance for holidays, sickness, unexpected leave pro rata) = 70 days

Sanjee Ratnatunga – 2 days per week x 40 weeks = 80 days –10 (allowance for holidays, sickness, unexpected leave pro rata) = 70 days

Maeve Collier -2 days per week x 40 weeks = 80 days –10 (allowance for holidays, sickness, unexpected leave pro rata) = 70 days

Anne Vant Hoff – 1 day per week in the early planning stages, rising to 2 days per week during the intensive procurement and contracting stages - 60 days

Gemma Boden
Jo Povey
Fiona Yip

Project team adviser – Carla O'May

3.6 Interfaces

The Agency will be required to maintain good working relationships with all key stakeholders, including in particular the former DTI (now known as DBERR, the department for Business Enterprise and Regulatory Reform), the regional public, staff both direct impacts and wider , and regional stakeholders and partners.

These interfaces will be described in more detail as part of the Communications Plan in Work stream 2 above.

4. Assumptions

- MAS must be procured via competitive tender and be operational by the 1st of April 2008.

Project Name	Manufacturing and Productivity Support Post 2008	10
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

- If this date is not possible, approval for any extension to be agreed with Project Board and BERR and interim arrangements put in place.
- NEPA must be procured via competitive tender as part of the MAS tender to ensure an integrated manufacturing offer for the region.
- The current NEPA “churn” model, which promotes putting engineers back into the industry and not competing with the industry for recruitment, must be built into the tender specification.
- ONE requires a strong degree of management control of the new delivery vehicle.
- The integrity of the NEPA brand must be protected.
- ONE must continue to be closely associated with NEPA’s excellent reputation.
- TUPE will apply for NEPA staff into the new organisation.
- Funding will be in place for NEPA and MAS and related services before the new service is operational.
- Staff resources will be made available to the levels set out in 3.5
- Any necessary funding for additional legal support and economic appraisal expertise will be made available via the ‘Shape’ project funding.

5. Project Team

Project Sponsor: Ian Williams.

Ian will Champion the project, approve/sign off work, listen to the Project Manager and team’s concerns and issue and help to voice them at a higher level if required and let the Project Manager know about how the board feels in relation to progress and issues around the project.

Project Manager: Dorothy Kelly

Dorothy will chair the project team meetings. She will be responsible for making sure the project is on track and oversee the progress of all work streams. She will alert the Project Board and others when things are not going well or when they are going well.

Project Name	Manufacturing and Productivity Support Post 2008	11
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

Project Board:

The project will report into the Shape Extended Enterprise Workstream Project Board

Peter Judge - in his capacity as Head of Extended Enterprise Workstream under SHAPE and Chair of Project Board

Ian Williams – Project sponsor

Chris Pywell – to provide strategic context

Marilyn Wright – to advise on HR matters

Tim Pain – with knowledge of extended enterprise projects and with delivery responsibility

Jo Povey – as project executive

Dorothy Kelly – Project Manager, will report into the Project Board on progress and make them aware of key issues.

Project Team:

Jo Povey – Strategic Economic Change

Jo's role is to represent the wider One NorthEast viewpoint and inform the team of other related activity taking place in the region. She will also advise on process within the Agency and the best routes for action on the particular work streams when required. Also act as project executive

Anne Vant Hoff – Legal

Anne's role is to ensure that the project complies with all relevant procurement and State Aid requirements, and ensure this activity is conducted in an open and transparent manner. Anne will provide extensive support to the Workstream lead on procurement and will produce a testing the options paper at initiation stage. Anne will also ensure that any Section 5 consents required for the delivery vehicle are secured.

Colin Herron – NEPA

Colin's role is to provide the project team with details of the operational aspects of NEPA best practice and manufacturing services in the region that are relevant. Colin will be responsible for the production of the "What's in, What's out paper" and is the Communications Work stream lead.

Helen Armstrong – NEPA

Helen's role is to provide the project team with details of the funding structure for NEPA and MAS currently, and other operational aspects of NEPA best practice. Helen is the Funding Work stream lead.

Project Name	Manufacturing and Productivity Support Post 2008	12
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

Sanjee Ratnatunga – Strategic Economic Change

Sanjee's role is to provide support to the Project Manager on all aspects of the project as and when it is required. Produce the overall documentation for the project, including the Project Initiation Document and the Detailed Project time plan. Sanjee is the Procurement Workstream lead.

Maeve Collier – Strategic Economic Change

Maeve's role is to provide support to the Project Manager by acting as the Secretariat for the project, ensuring SharePoint is updated and that team members are using the facility, documenting action points at both Board and team meetings and providing support to Workstream Leads on Funding and Management and Co-ordination.

Gemma Boden – Human Resources

Gemma's role is to ensure that the project considers all of the HR implications when procuring and contracting the new Manufacturing service. Gemma is Workstream lead for the HR activity and will produce a HR plan which will contribute to the overall detailed project plan.

Fiona Yip – Strategic Economic Change

Fiona will work with Colin to provide support to the Project Team by keeping the team informed about progress at a National Level and in other regions. Fiona will work with Colin on producing the "What's in, What's out" paper.

Carla O'May – Organisational Development

Carla is assisting the team in managing the overall project processes and in facilitating Away Day and other meetings as required.

6. Project Plan

A High Level Project Plan will be produced with a more detailed project plan sitting underneath this. The detailed project plan will be split into the six workstreams with key milestones of what has to be done under each of these. See Appendix 1

7. Project Controls

The Directors have agreed the formation of a project board and team and agreed the strategic importance of the project. The project sponsor has agreed the representatives of the project team and has

Project Name	Manufacturing and Productivity Support Post 2008	13
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

agreed to report into the Directors Team, Board and Committee meetings as needed.

The **Project Board** will retain overall responsibility for setting the direction of the project plans, managed on a day-to-day basis by the **Project Manager**.

The **Project Board** will report into the **Shape Extended Enterprise Workstream Project Board** on a regular basis and secure approval for the PID and any subsequent amendments to it.

The **Project Team** will have tactical responsibility for compliance to project, quality, risk and change plans, and report accordingly to the **Project Board** through the **Project Manager**.

8. Exception Procedures

The Project Manager will deal in the first instance with any exceptions that occur which may adversely affect project targets or timetables. Exceptions will be managed by modification of the Project Plan.

The overall delivery and timetable will be regarded as non-negotiable, if it seems that exceptions cannot be managed without affecting this, the situation will be escalated to the Project Board immediately.

9. Risk and Contingency Plans

A risk log will be developed and maintained on SharePoint outlining the key risks to the project. This will include contingency planning. The use of a risk workshop event will be considered. Risk log to be developed by 23rd July 2007.

An issues log will be maintained and managed by the Project Manager at all times, ensuring issues are dealt with speedily without affecting overall timetable and delivery of the project. Serious issues will be escalated to the **Project Board** if necessary.

10. Communication

A Communications Plan will be developed by end July 2007.

The **Project Sponsor** will report monthly to the Shape Board, detailing any issues arising that require the Board's support and also on a regular basis to the Agency Board and Business Development Committee.

The **Project Manager** will report monthly to the Project Board and to the Extended Enterprise Project Board on general progress of the project including **Project Team** progress, and on any issues that require resolution.

Project Name	Manufacturing and Productivity Support Post 2008	14
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

The **Project Manager** will liaise with other staff within the Agency appropriate to update them of progress.

The **Communications Directorate** will work closely with the Communications Work stream lead and be engaged as required for any large-scale internal and external communications.

11. Project Filing

The **Project Team** will produce and control all project documentation.

All project information will be stored on the Agency's Project Management System, SharePoint.

12. Sign Off

PID agreed by	Signature	Date
Project Sponsor		
Project Manager		
Project Board		

13. Expenditure

Costs	07/08	08/09	09/10	Total
Financial Year April-March				
Salaries costs				
Training costs				
Consultancy				
Administration				
Travel				
Professional fees	£20k legal £15k HR and GAD contingency			
Evaluation				
Other – please specify	£30k economic appraisal			
TOTAL COSTS	£65k			

Project Name	Manufacturing and Productivity Support Post 2008	15
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	

- 14. Appendices** - Appendix 1, Timeline, to be replaced by MS Project Plan once complete

Project Name	Manufacturing and Productivity Support Post 2008	16
Author	Sanjee Ratnatunga/Dorothy Kelly	
Date	FINAL 170807	