



LEICESTER CITY COUNCIL

PROJECT MANAGEMENT STANDARDS for MAJOR PROJECTS

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Leicester City Council
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1. INTRODUCTION

1.1 BACKGROUND

These project management standards have been produced to assist Leicester City Council to standardise procedures and manage major projects effectively. The principles apply to all projects, regardless of scale.

Project Management Training will be provided for Project Directors and Project Managers to ensure a corporate approach is adopted. They have been developed following consultation with all Council Departments and build on the examples of good practice existing within the Council and elsewhere.

These standards must be used for all major projects. They provide a basis of good practice. They should be regarded as minimum standards and are intended to be used alongside additional guidance, which may be relevant to specific projects, for example funding criteria relating to successful inward investment.

It is intended that these standards will be regularly reviewed and updated (at least every 2 years). Any comments about their practical application should be forwarded to Jennifer Tillotson, Resources Management Division, Arts and Leisure Department.

1.2 PROJECT DEFINITION AND CLASSIFICATION

1.2.1 Project Definition

All projects share the following characteristics:

- i. A fixed time scale with identifiable start and end dates.
- ii. Specific, measurable objectives outside normal service delivery.
- iii. Identifiable resources and often specific budgets.
- iv. A team of people to carry out the work.
- v. Will result in change.

In addition, a major project is:

- vi. Complex or multi-faceted, involving a number of departments or teams and inter-dependencies,
- vii. Of high financial value, generally over £500,000, or of key strategic importance to the authority,
- viii. Fits within the long term strategic aims of the Council.

1.2.2 Identifying Major Projects.

Every time a project is instigated, the Commissioning Department should consider whether it is a major project, taking into account the following :

- i. Finance
 - Does the project require funding outside normal budgets?
 - Are significant levels of finance involved, i.e. generally in excess of £500,000?
 - Does the project require external sources of funding?
- ii. Involvement
 - Are two or more Departments involved?
 - Does the project involve partnerships with other organisations and agencies?
- iii. Complexity
 - Does the project require technical innovation?
 - Are the techniques required new to the Council?
- iv. Significance*
 - Is there significant* political interest in the project?
 - Is there significant* public interest in the outcome?

*** Note : There is no specific definition of significant, the Project Director must exercise judgement about whether the level of finance, political or public interest are significant.**

If, having considered these questions, there is any doubt about whether the project should be treated as major, then as a general rule, if there are two or more 'yes' answers to the questions, it is advisable that the project be treated as major. If the Project Director believes a project is major, the decision should be endorsed by the Directors Board and Cabinet. A major project should also have a Cabinet Lead member assigned to it (see 2.1).

It is essential that any project which it is agreed is major is given priority by all involved. This will often mean greater priority and importance than other areas of work.

1.3 PARTNERSHIP WORKING

Projects which involve partnership working must also apply the Partnership Working Guidelines, copies are available from the Director of Commercial Services.

As the Council becomes involved in more partnership working, an increasing number of projects will need to include individuals and organisations from outside the Council in both project teams and project boards.

If the Council is taking the lead it would normally be expected that the Project Manager and Project Director are Council Officers and it will be their responsibility to ensure that these standards are understood and adhered to by all participants.

In circumstances where an outside organisation takes the lead, the Council should always be represented at Project Board level. The Council Officers involved will be responsible for representing the Council's interests in the project and for ensuring that appropriate project management principles are applied. The Council should be alerted at the earliest possible stage to any problems which may jeopardise the project's outcome.

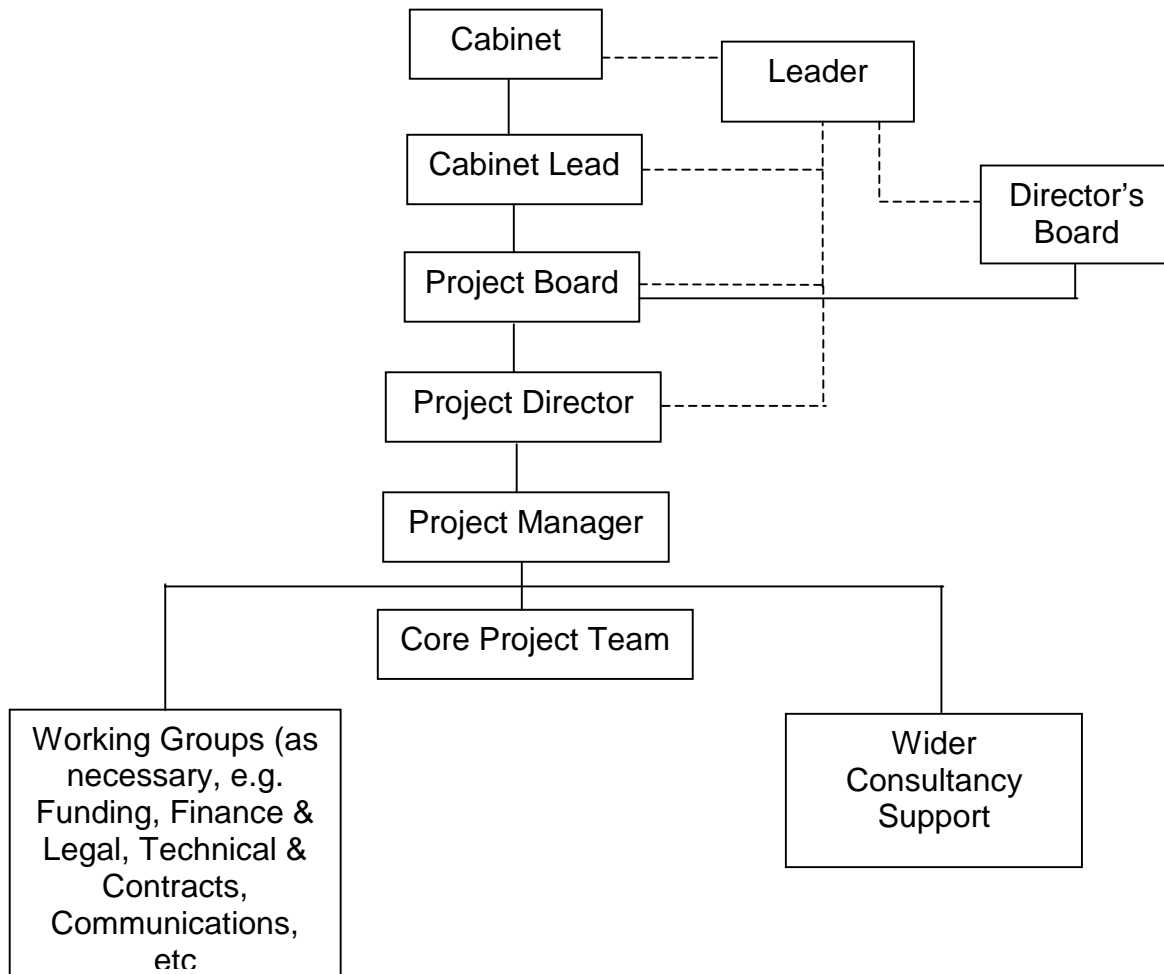
2. PROJECT MANAGEMENT INFRASTRUCTURE

2.1 AUTHORISING BODY

The principal authorising body for any major project is Cabinet.

2.2 PROJECT ORGANISATION STRUCTURE

The project organisation to be adopted is shown in the following chart:



Project Organisation Structure

2.3 PROJECT PARTICIPANTS

It is essential for the smooth running of projects that roles and responsibilities are agreed from the start. While it is understood that the nature of projects is varied, every major project should have the following key participants:

2.3.1 The Cabinet Lead

Cabinet will appoint a Cabinet Lead Member to champion the project in Cabinet, receive regular updates and make political decisions, or refer issues to the Leader and/or Cabinet for decision as appropriate.

The Cabinet lead will agree the Project Definition before work begins and will confirm the frequency and nature of progress reporting to Cabinet. The Cabinet Lead will keep the Leader informed of progress and of any issues which could affect the outcome of the project.

The Cabinet will determine the extent to which Scrutiny Committees and Triumvirates will be involved and the nature of their involvement.

2.3.2. The Project Board

Most major projects will require a Project Board, although it is the Project Director's responsibility to determine whether the support of a Project Board is required. If a Project Board is required the Project Director will identify the Board members.

The seniority of Project Board members will vary, depending on the significance of the project in respect of the corporate priorities of the Council. As a guide, for significant projects, board members should be senior officers, (2nd or 3rd tier for Council officers). In the case of corporate projects they should be drawn from as large a number of Council Departments as is practical and appropriate. Consideration should be given to the relevance of involving partner organisation's representatives on the Board. The Board will normally consist of a minimum of three and a maximum of seven members, including the Project Director.

If the Project Director decides that a Project Board is not required, then the Project Director undertakes all the Board's responsibilities.

2.3.3 The Project Director

The Project Director is responsible for the overall success of the Project. He or she will either be from the Commissioning Department (and usually a Director or Assistant Director) or will be an externally appointed professional. The Project Director will head a Project Board but does not have direct involvement in the management of the project.

On those occasions that the Director of the Lead Department decides to delegate the role of Project Director, as with other Departmental activity the Director remains ultimately accountable, i.e. responsibility can be delegated, but accountability cannot.

When such delegation occurs, it is advisable for the Departmental Director to be a member of the Project Board, otherwise an additional level of reporting will be required, which could put success of the project in jeopardy.

For regeneration and partnership projects, the Lead Department and Project Director should be determined by Directors Board in consultation with the Leader and Cabinet.

2.3.4 The Project Manager

This is the key role in Project Management. The individual selected as the Project Manager of a major project will be a Head of Service or other appropriate senior officer from the Commissioning Department. **Only individuals who have participated in the City Council's corporate project management training should be selected.**

The Project Management role may be an external appointment using suitably experienced professional(s) trained in project management.

It is essential that everyone involved in Project Management accepts that the Project Manager is expected to cut across normal organisational boundaries to get the job done. Project Managers are often limited in direct authority and as a result, need to negotiate for resources and support from a wide range of people. It is the Project Manager's responsibility to deal with any initial resistance and opposition, so this does not jeopardise a successful project outcome. If such resistance continues, the problem should be referred to the Project Director.

2.3.5 The Project Team

The Project Team share responsibility for delivery of the Project Execution Plan. Individually each member of the team is responsible to the Project Manager for the tasks they have been assigned. With agreement from the Project Manager, team members may identify other appropriate individuals to support their work, which may require the formation of sub-groups, which they will lead.

Project Team Members may be in-house or external according to the requirements of the work at hand.

3 PROJECT STAGES

3.1 PRINCIPAL STAGES AND REQUIRED AUTHORISATION

(This is shown diagrammatically on page 12)

STAGE	PRINCIPAL STAGE ACTIVITIES	AUTHORISATIONS
Stage 1: Identification	Project identification, generally initiated by Director's Board, Capital budget decision or Report to Cabinet. Confirm the need. Appoint Project Director and support staff/consultants as appropriate. Feasibility study including preliminary options review detailing the ' basic case '.	To be approved by CABINET
Stage 2: Project Definition	Establish a 'Project Board'. Develop Project Brief. Establish the Communication Strategy. Undertake Options Appraisal. Prepare a design concept. Establish the business case. Evaluation and invitation to bid as appropriate. Identify funding requirements and potential funding sources. Prepare and submit application(s) for funding. Prepare Project Definition Document .	Project Definition Document to be approved by CABINET
Stage 3: Project Authorisation	Formal endorsement of project proposals and allocation of funding.	To be approved by CABINET
Stage 4: Start-up and Outline Design	Appointment of Project Manager and Project Team. Prepare the "Project Execution Plan" (PEP). Prepare outline design specifications and cost plan. (Outline design report to be prepared).	To be approved by PROJECT BOARD (any key changes referred to CABINET LEAD and if necessary CABINET)
Stage 5: Detailed Design and Tender Documentation	Preparation of detailed design, specifications, tender documents and pre-tender estimates.	To be approved by PROJECT BOARD (any key changes referred to CABINET LEAD and if necessary CABINET)
Stage 6: Procurement	Secure tenders, analyse and award contract(s) in accordance with Standing Orders and Financial Regulations.	To be approved by PROJECT BOARD
Stage 7: Construction	Construction, installation and commissioning.	To be approved by PROJECT BOARD
Stage 8: Handover	Hand over of operation/ maintenance to Leicester City Council or Partner.	N/A

3.2 END STAGE ASSESSMENTS

At the end of each project stage an End Stage Assessment will be prepared by the Project Manager, in consultation with the Project Director, with the principal objectives of:

- Assessing the continued viability of the project against the Project Definition Document.
- Making the case for the Project Board to approve the next stage of expenditure.

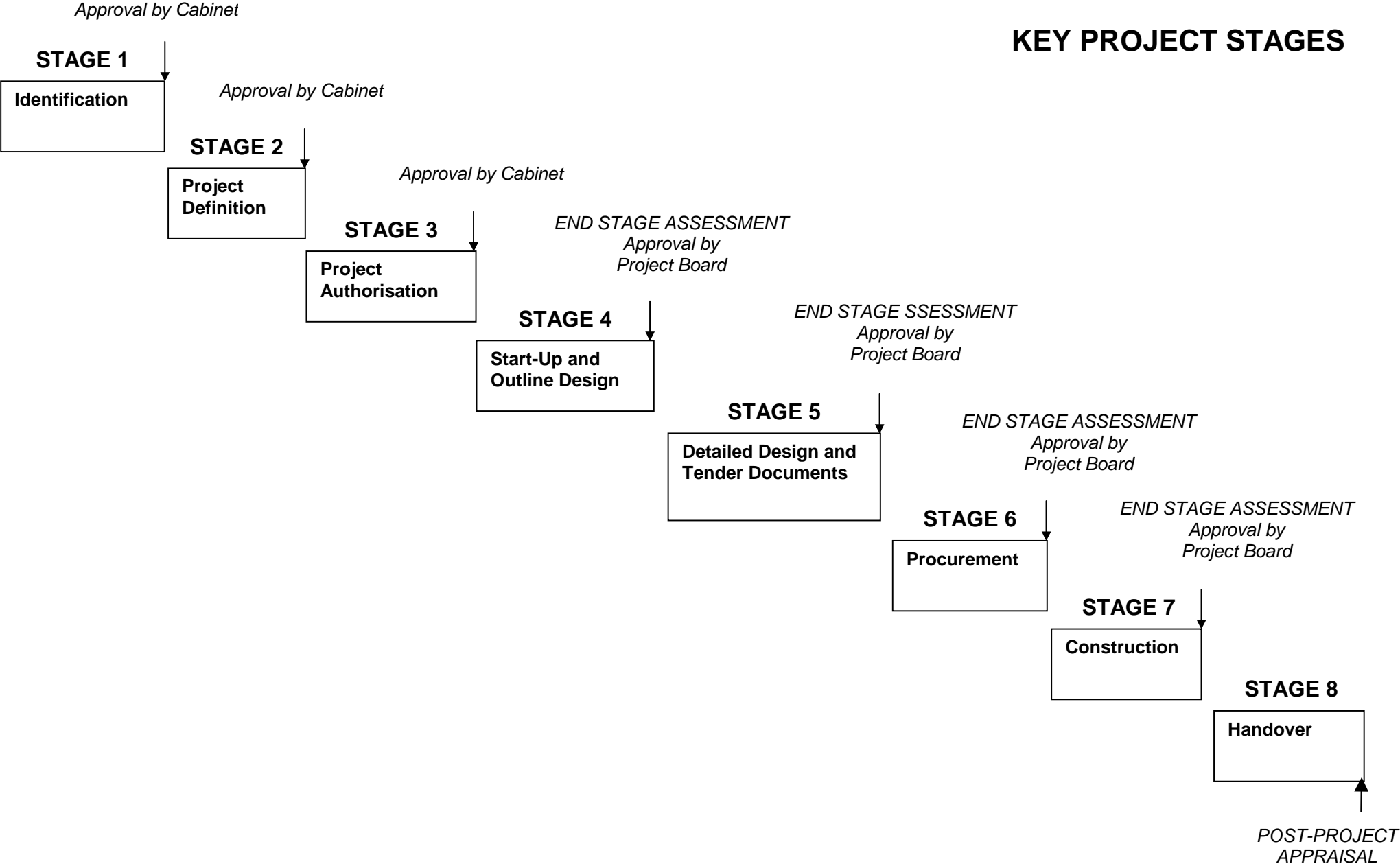
At the end of Stages 4, 5 and 7, the Project Board must undertake a review and confirm to the Cabinet Lead that the project is meeting its objectives and continues to satisfy the required quality and procurement standards.

3.3 MID STAGE ASSESSMENTS

In the event that a fundamental change is predicted or requested by any project stakeholder, the Project Manager, in consultation with the Project Director, must prepare a Mid Stage Assessment for presentation to the Project Board for instructions.

A Mid Stage Assessment has the same principal objectives as an End Stage Assessment and may include a review by the Cabinet Lead if considered desirable by the Project Director or the Project Board.

KEY PROJECT STAGES



4. KEY CONTROL DOCUMENTS

4.1 STAGE 1: IDENTIFICATION

Feasibility Study

Following initial identification of a potential project, a feasibility study should be undertaken. The purpose of the feasibility study is to examine the 'Basic Case' for Leicester City Council to consider. A key element of the feasibility study is to establish through consultation the need for the project, by those who will ultimately use it. The study should include all of the following, beginning with confirming the need for the project:

- i. Confirmation of need for the project
 1. Gather together relevant reports and other data
 2. Analysis of the data to identify key issues and trends
 3. Discuss options with key stakeholders and partner organisations to gauge their views on the need
 4. Survey local people to gauge their views
 5. Research what is already being delivered in this area
 6. Compile findings
 7. Feedback to Cabinet Lead and agree the preferred way forward
- ii. Corporate Strategic Priorities and Objectives
- iii. Financial Viability
- iv. Technical Practicality
- v. Deliverability and timescales

On the basis of the Feasibility Study, the Cabinet will decide whether the project should proceed to Stage 2 – Project Definition.

The feasibility study should be no more than 10 pages, including a concise 2 page Executive Summary.

The feasibility study as defined here is only to inform Leicester City Council's decision-making processes; further more detailed feasibility may be required to inform funding approaches.

4.2 STAGE 2: PROJECT DEFINITION

4.2.1 The Project Brief

The Project Brief is a summary of the work undertaken at Stage 1 to inform the 'Basic Case'. The Project Brief should focus on 'the big picture'.

The project brief will include:

- i. The reasons and need for the project.
- ii. Identification of the links to the Council's Strategic Priorities.
- iii. Basic outline of the potential project parameters:
 1. what it is
 2. how big it might be
 3. outline costings

4. likely timescales
5. potential funding sources
6. potential users
7. proposed management arrangements
8. likely revenue/operational implications
9. barriers or risks
10. whether further consultation is required.
- iv. Identification of key players and stakeholders.
- v. Resource implication and Stage 2 costs.

4.2.2 Developing the Project Brief

This section considers the principles that should be applied when the project brief is developed.

Responsibility For The Project Brief

The Project Director is responsible for the preparation of the project brief, which defines the project, identifies the aims and objectives, outcomes, resources, broad timescales and success criteria. In practice the Project Manager may be asked to assist the Project Director with this work.

Preparing The Project Brief

Preparing the project brief can be a lengthy process, as it is likely to involve consultations outside the Council and liaison with funding organisations. A well-prepared project brief will:

- i. Keep the focus on the big picture.
- ii. Spell out resource implications.
- iii. Identify the strategic priorities which the project supports.
- iv. Allow comparison of benefits and costs before the project begins.
- v. Identify the broad timetable and completion dates.
- vi. Communicate enthusiasm and generate commitment.
- vii. Form a basis for consultation with stakeholders.
- viii. Give a framework for seeking resources.
- ix. Provide the basis for the development of the detailed project work programme.
- x. Highlight areas of risk.
- xi. Is a checklist to refer back to during the implementation stage.
- xii. Set success criteria.

Project Objectives, Outputs and Outcomes

Given the diversity of projects, objectives will vary greatly. It is important that the project's objectives are clearly defined in line with the original proposal and expressed fully in the project brief in relation to quality and quantity. They must have measurable targets set, with timescales, to ensure achievements can be fully identified and assessed.

The objectives should be explicitly linked to the problems identified and the strategy proposed. They should reflect the reasons for initiating the project, including links to corporate strategies and priorities. Project activities should directly address the objectives. Monitoring the success of projects should always be undertaken with reference to the objectives.

To aid monitoring and evaluation, a set of indicators should be identified in the project brief which are reflected in the project plan, these should relate to both project objectives and anticipated outputs. They will give an indication of the starting position and the anticipated results. Progress and achievements can then be monitored and assessed against these values both during implementation and upon completion of the project.

The project outcomes are the ultimate reasons why the project is being undertaken. They are usually longer term. It is useful to establish these at the start of the project, to give a basis for monitoring longterm success.

4.2.3 The Project Definition Document

The Project Definition Document is the final product from Stage 2. It defines the agreed project under the following headings:

- i. Introduction and scope of the project.
- ii. Vision and mission statement.
- iii. User requirements.
- iv. Options appraisal. (see section 4.2.4)
- v. Analysis of the business case. (see section 4.2.5)
- vi. Operational plan.
- vii. Costs and funding sources. (see section 4.2.6)
- viii. Key dates and milestones of the programme.
- ix. Project organisation structure.

The Project Definition Document will be updated at key stages and will contain all of the key project control and reference documents.

4.2.4 Options Appraisal.

The options appraisal is developed as part of the Project Definition Document. The first stage is to take stock and consider the alternatives, for example considering whether the need could be addressed by rationalisation or other efficiency measures. A structured approach should be followed using a filtration process:

All proposals should be recorded. As a minimum the options appraisal should state:

- i. All the options considered
- ii. The strengths and weaknesses of each option
- iii. Cost/benefit analysis, i.e. quantify in financial terms the costs and benefits of each option
- iv. Cost/effectiveness analysis i.e. compare the costs of different ways of achieving the same or similar results
- v. The reasons for selecting the chosen option

4.2.5. Developing the Business Case

In the early stages it is essential that as part of the project definition, the proposal is evaluated against the Council's strategic priorities to determine the extent to which it fits and to ensure the proposal is viable in financial, operational, technical and customer terms. **The Business Case is an outline which will later be fully developed into the Business Plan.** The Business

Case document contains the rationale for the project; it is this document that defines:

- What it is intended to do
- Why it is intended
- Who needs it
- How it will be achieved

In outline, the following should all be addressed:

- i. The purpose, concept, market and competition
- ii. Ownership, management and operation
- iii. Outline income projections
- iv. Capital cost estimates
- v. Operating cost estimates
- vi. Cash flow
- vii. Business risks
- viii. Legal structure, lease agreements and details of any legal issues, barriers or constraints.
- ix. Outline marketing proposals
- x. Impact assessments
- xi. The opportunity, benefits, costs and impact on the Council as a whole.

The Stage 2 Project Definition Document should be no more than 30 pages, including a concise 2 page Executive Summary.

4.2.6 Funding Applications

The information and level of detail required to inform funding applications is dependant upon the potential source of funding. Reference should be made to the requirements of each individual funder. **Please note that some funders will request End Stage 4 level of detail.**

4.3 STAGE 3: PROJECT AUTHORISATION

The key document produced at stage 3 is the report to Cabinet, which will summarise stage 1: Identification and stage 2: Project Definition. The project can proceed to stage 4 following Cabinet approval.

4.4 STAGE 4: START-UP AND OUTLINE DESIGN

4.4.1 The Project Execution Plan (PEP)

The PEP is presented under the following headings:

- i. Project objectives and scope of works.
- ii. Site operational and performance requirements.
- iii. Project organisation, communication and reporting.
- iv. Financial control structure.
- v. Procurement strategy.
- vi. Risk management.
- vii. Change control.
- viii. Health and safety.

- ix. Cost plan, cash flow and funding.
- x. Master plan.

4.5 ALL STAGES

4.5.1 Project Reports

At the end of each agreed reporting period, (generally monthly, but may be more or less frequently) the Project Manager will prepare a Summary Report to record the project status and progress compared with the Project Execution Plan for discussion and review with the Project Director and Project Board.

The report to be submitted to the Project Director within 5 working days of the end of the reporting period. The report headings are:

- i. General status.
- ii. Changes to the project definition.
- iii. Key milestone dates and summary computerised programme.
- iv. Internal resources requirements.
- v. Costs and cash flow for each cost heading, showing actual and forecasts.
- vi. Project organisation.

4.5.2 Project Team Reports

At the end of each agreed reporting period, (generally monthly, but may be more or less frequently), each Team Member will prepare a progress report, identifying any departures from the Project Execution Plan or difficulties foreseen. The report is to be submitted to the Project Manager within 5 working days of the end of the reporting period. The report headings are:

- i. Work undertaken
- ii. Forthcoming actions
- iii. Information required/ instructions outstanding
- iv. Risk issues
- v. Drawings/documents issue status

4.5.3 End Stage Assessment Reports

End Stage Assessment reports are prepared by the Project Manager for consideration by the Project Board and Project Director at the end of each stage, before procedure to the next stage is authorised. Any key changes will be referred to the Cabinet Lead and, if necessary, the Cabinet.

The Report compares the current status of the Project and its projected performance against the expectations defined in the Project Definition Document. Comparisons are made under the following headings:

- i. User requirements
- ii. Business case
- iii. Costs and cash flow
- iv. Funding
- v. Programme

4.5.4 Mid Stage Assessment Reports

Mid-Stage Assessment Reports are prepared in response to concerns on Project viability or on the effect of any changes to the Project Definition by the Cabinet, Cabinet Lead, Project Board, or Project Director. They will normally be in similar format to an End Stage Assessment Report.

4.5.5 Highlight Reports

Highlight Reports are similar to Mid-Stage Assessment Reports, but address individual items of concern, their content is specific to the item and they are usually prepared by the Project Manager.

5 ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the key project participants at each stage of the project management process are as follows :-

5.1 THE CABINET LEAD

The overall project structure, and the position of the Cabinet Lead within it, is shown on the organisation chart in section 2.2.

General (applicable to all project stages)

G1 Familiarise yourself with the contents of the Project Management Standards for Major Projects.

G2 Keep the Leader and Cabinet informed of progress throughout the life of the project.

Stage 1: Identification

1.1. Satisfy yourself that there is a need for the project, in particular, that it meets the Council strategic priorities.

1.2 Satisfy yourself that the project is financially viable, technically practical and deliverable (the basic case).

1.3 Satisfy yourself that the project has an adequate budget, or that strategies are in place to raise funding to finance the project (the basic case).

1.4 Champion the project to Cabinet.

1.5 At the end of stage 1, ask Cabinet to approve proceeding to Stage 2: Project Definition.

Stage 2: Project Definition

2.1 Ensure that an appropriate process for keeping you informed is put in place.

2.2 Satisfy yourself that an appropriate communication strategy is put in place to inform key stakeholders and partners at regular intervals regarding project development.

2.3 Satisfy yourself that the 'Project Definition Document' including project brief, design concept, business case, funding and delivery strategy is robust and realistic. Sign off the Project Definition Document for submission to cabinet.

Stage 3: Project Authorisation

3.1 Champion the project to Cabinet and ask Cabinet to approve proceeding to Stage 4. **This is the key Cabinet authorisation stage at which full commitment to the project will require a funding commitment from the Council.**

Stage 4: Start Up and Outline Design

- 4.1 Satisfy yourself that the Project Execution Plan will be effective. Approve the Project Execution Plan, in consultation with the Project Director, to enable the project to proceed to Stage 5.
- 4.2 Satisfy yourself that the key project milestones detailed in the Project Execution Plan are being delivered for all of the remaining stages.

Stages 5, 6 & 7:

1. Satisfy yourself that the project is being implemented according to the PEP.
2. In the event of any significant changes to the project parameters consider the options and then assist the Project Team to secure the appropriate authorisation to proceed for the preferred solution.
3. Continue to champion the project during the Project implementation process.

Stage 8: Handover

- 8.1 Champion project handover and media coverage.

5.2 THE PROJECT BOARD

The overall project structure, and the position of the Project Board within it, is shown on the organisation chart in section 2.2.

General (applicable to all project stages)

- G1 Board members to familiarise themselves with the contents of the Project Management Standards for Major Projects.
- G2 Act at all times in the best interests of the Council with the objectives of:
- Completion of the project in accordance with the Project Definition Document.
 - Value for money/best value.
 - Efficient transition from project completion to operation.
- G3 Receive regular progress reports, attend regular progress meeting and act as a steering group and 'sounding board' for any issues arising during the development of the project.
- G4 Consider End Stage Assessments at completion of specific project stages and authorise proceedings to the next stage.

Stage 1: Identification

- 1.1 Support the Project Director in stage 1 tasks.

Stage 2: Project Definition

- 2.1 Consider and input into the development of the Project Brief.
- 2.2 Consider and input into the development of a communication strategy for the project.
- 2.3 Consider and input into the 'Project Definition Document' prior to issue to Cabinet Lead for their input/approval.
- 2.4 Assist the Project Director in identifying a Project Manager and wider support team.
- 2.5 Advise the Project Manager on suitably experienced individuals to be part of the project team.

Stage 3: Project Authorisation

- 3.1 No action.

Stage 4: Start Up and Outline Design

- 4.1 Consider and input into development of the 'Project Execution Plan' (PEP).
- 4.2 Monitor progress of the project against the PEP milestones.

Stages 5, 6, 7 & 8:

1. Monitoring progress of the project against the PEP milestones.
2. In the event of changes, act as a steering group and 'sounding board' to consider options and input into determining the preferred solution.
3. Consider lessons learnt from the post project review and disseminate within Leicester City Council.

5.3 THE PROJECT DIRECTOR

The overall project structure, and the position of the Project Director within it, is shown on the organisation chart in section 2.2.

General (applicable to all project stages)

- G1 Undertake Project Management Training and familiarise yourself with the contents of the Project Management Standards for Major Projects.
- G2 Keep the Cabinet Lead and Project Board (if applicable) informed of progress throughout the life of the project.
- G3 Act at all times in the best interests of the Council with the objectives of:
 - Completion of the project in accordance with the Project Definition Document.
 - Value for money/best value.
 - Efficient transition from project completion to operation.
- G4 Ensure that an effective management, meeting and reporting infrastructure is established for the project.
- G5 Satisfy yourself that all appointments to the project are appropriately skilled and experienced to undertake the scope of services required.
- G6 Satisfy yourself that the Project Team have sufficient resource to effectively deliver the project.
- G7 Ensure that there is sufficient budget in place to finance project work being undertaken.
- G8 Ensure the establishment of a complete funding package to implement the project.
- G9 Establish strategies to raise additional funds to progress the project as necessary.

Stage 1: Identification

- 1.1 Confirm the need for the project and that it meets the Council's strategic priorities.
- 1.2 Appoint support staff/consultants to assist in the development of the Feasibility Study to inform the 'Basic Case'
- 1.3 Confirm whether the project is financially viable, technically practical and deliverable - the 'basic case', including consideration of both the capital and ongoing revenue implications.
- 1.4 Confirm the budget for the project and the strategy for raising the funding to deliver the project (the 'basic case').

- 1.5 Prepare the report to Cabinet detailing the 'Basic Case', seeking the necessary approvals to proceed to Stage 2: Project Definition. Liaise with the Cabinet Lead as necessary in preparing the report.

Stage 2: Project Definition

- 2.1 Decide whether the support of a Project Board is required and if so identify appropriately skilled and experienced individuals to join the Board. If the Project Director decides that a Project Board is not required then the Project Director will undertake all the Board's responsibilities.

In the event of establishment of a Board the Project Director will lead the Board and chair the meetings for all future stages of the project.

- 2.2 Lead on the production of the Project Brief.
- 2.3 Lead on the preparation of an internal and external communication strategy for the project to ensure that all key stakeholders and partners are informed of the project development at regular intervals.
- 2.4 Lead on the production of the 'Project Definition Document' including the Design Concept, Business Case, Funding and Delivery Strategy and secure endorsement of the Cabinet Lead prior to submission for Cabinet consideration at Stage 3: Authorisation.

It may be necessary to secure wider political soundings on the project prior to submission to cabinet.

- 2.5 Lead on the preparation of funding applications. No funding applications are to be submitted prior to Cabinet approval at Stage 3: Authorisation unless specialist circumstances are agreed with the Cabinet Lead.
- 2.6 Brief the Cabinet Lead to enable development of a presentation on the project to Cabinet to secure the Stage 3 Authorisation.

Stage 3: Project Authorisation

- 3.1 Support Cabinet Lead as necessary to secure the appropriate authorisation to proceed to full project implementation.

Stage 4: Start Up and Outline Design

- 4.1 Appoint the Project Manager and oversee their activities.
- 4.2 Satisfy yourself that an effective project team is being established by the Project Manager.
- 4.3 Satisfy yourself that the Project Execution Plan (PEP) is robust, realistic and achievable.
- 4.4 Upon establishment of the key project milestones in the PEP, ensure that the project is being delivered according to plan for all of the remaining stages.

- 4.5 Secure Cabinet Lead and Project Board endorsement of the PEP to enable the project to proceed to Stage 5.

Stages 5, 6, 7 & 8:

1. Oversee the activities of the Project Manager and delivery team.
2. Ensure that the project is being implemented according to the PEP.
3. In the event of changes to the project parameters, consider the options and seek approval for the preferred solution from Project Board and Cabinet Lead, as appropriate.
4. Secure approvals from the Cabinet Lead and Project Board at end stages to allow progression to the next stage.
5. Ensure that a post project review is undertaken and the feedback disseminated to inform future projects.

5.4 THE PROJECT MANAGER

The overall project structure, and the position of the Project Manager within it, is shown on the organisation chart in section 2.2.

General (applicable to all project stages)

- G1 Undertake Project Management Training and familiarise yourself with the contents of the Project Management Standards for Major Projects.
- G2 Report to the Project Director.
- G3 Assist the Project Director in complying with any “client” requirements, obligations and responsibilities under the terms of any contracts entered into by the City Council.
- G4 Act at all times in the best interests of the City Council with the objectives of:
- Completion of the project in accordance with the Project Definition Document
 - Value for money/best value
 - Efficient transition from project completion to operation.
- G5 The Project Manager must obtain written delegation or consent before committing the Council to any costs.
- G5 Attend Project Board Meetings or Project Co-ordination Meetings when required by the Project Director and prepare any specific Reports called for by the Project Director for presentation at such meetings.
- G6 Advise the Project Director on the need for any further research or surveys considered by the Project Manager to be necessary for efficient completion of the project including market appraisals, structural surveys, soils investigations, and valuations.
- G7 Review, at the request of the Project Director, the effects of any potential changes to the project parameters defined in the Project Definition.
- G8 Provide general advice to the Project Director on any applicable aspects of the project as they arise.
- G9 Ensure that all appointments to the project are suitably skilled and experienced to undertake their specified role and that they have sufficient resource to deliver the required service.
- G10 Liaise closely with the designated community representative.

Project Control and Reporting (applicable to all project stages)

PCR1 Administer, and oversee the activities of all project participants through to project completion. Monitor performance and take action as necessary to recover any slippage.

PCR2 Establish, implement and maintain a computer-based Project Control system, including cost and programme control sub-systems, in order to:

- monitor the actual progress of the project compared with that planned in the agreed Project Definition and PEP',
- rapidly assess the effects of any proposed changes,
- display up-to-date information on all aspects of the project.
- highlight key milestone dates.

The cost control sub-system shall comprise a Master Cost Plan and Cash Flow together with more detailed cost breakdowns for individual project elements.

PCR3 Maintain a value management process, examining designs as they are prepared to check value for money and life cycle efficiency. Advise the designers and Project Director accordingly.

PCR4 Prepare a monitoring report each month, (or as often as agreed), in sufficient detail to provide information to the Project Director on the progress on each aspect of the project and to allow comparison of actual with planned performance. The report shall:

- include summary information from the cost and programme control sub-systems,
- identify actual or expected variances together with any existing or potential problems which might affect completion of the project defined in the Project Definition,
- highlight any areas where urgent decisions or action are required by Cabinet, Cabinet Lead, the Project Director or other project participants.

The monitoring report shall be presented under the following headings and be delivered to the Project Director no later than 5 working days after the end of the calendar month or agreed reporting cycle to which it relates:

- i. General Project Status
- ii. Changes to the Project Definition or PEP
- iii. Cost Control (including cash flow)
- iv. Programme Control
- v. Procurement (including detailed procurement schedules)
- vi. Decisions awaited

PCR5 Establish appropriate channels of communication and data transmittal processes between members of the Project Team(s).

PCR6 Establish convene, chair and record a programme of regular project planning meetings, in particular to:

- i. co-ordinate activities

- ii. review progress and costs
- iii. agree future targets
- iv. resolve difficulties

PCR7 Establish standard formats for the preparation and presentation of drawings and other project data by project team members.

PCR8 Establish reporting formats and processes to be followed by members of the project team.

PCR9 Advise the Project Director of any “Client” decisions required as the need arises.

PCR10 Review and certify all payment applications from consultants, suppliers and contractors before passing on to the Project Director for final approval and to process payment.

The formal appointment of a Project Manager would normally occur following the Stage 3: Project Authorisation, however, a Project Manager may be required to support the initial project development work being undertaken by the Project Director as follows:

Stages 1 & 2:

- 1. Undertake specified tasks as instructed by the Project Director to develop the Business Case and Project Definition Document.

Stage 3: Project Authorisation

- 3.1 Support the Project Director and Cabinet Lead as requested to secure the appropriate authorisation to proceed to full project implementation.

Stage 4: Project Start Up and Outline Design

- 4.1 Support the Project Director in developing the Project Brief (if required).
- 4.2 Prepare a “**Project Execution Plan**” (PEP), for agreement by the Project Director detailing the means of completing the project defined in the “Project Definition” document. The PEP is to be presented under the following headings:
 - i. Project objectives and scope of works
 - ii. Site operational and performance requirements (including outline design brief)
 - iii. Project organisation, communications and reporting
 - iv. Financial control: costs, cash flow and funding
 - v. Programme control (to include critical path analysis and master plan)
 - vi. Procurement and resources (to include roles and responsibilities)
 - vii. Risk management
 - viii. Change control
 - ix. Health & safety
- 4.3 Advise on the requirements for specialist consultancy services, e.g. research studies, planning, design or quantity surveying.

- 4.4 Organise the procurement of agreed services in accordance with Leicester City Council and public procurement policies, including:
- i. Prepare detailed design briefs
 - ii. Prepare enquiry documents
 - iii. Review submissions/tenders and conduct interviews in conjunction with the Project Director
 - iv. Recommend award after taking up references and carrying out any necessary checks.
 - v. Prepare award documentation for signature by Leicester City Council.
 - vi. Issue specific instructions to each specialist consultant for undertaking the applicable services defining capital cost, brief, programme and all other control parameters.
- 4.5 Advise on the need for external consultants to maintain professional indemnity insurance and make any necessary checks.
- 4.6 Advise on the need for statutory consents or licences, including planning and listed building consents, incoming service consents etc.
- 4.7 Process any required applications, or arrange for specialist consultants to do so, and follow through negotiations to completion.
- 4.8 Direct, monitor and co-ordinate designer activity, checking regularly against parameters defined in the Project Definition and PEP, taking necessary action if outline design development is found to be not in accordance with such parameters.
- 4.9 Arrange the preparation of the project cost plan and outline design report. Take any necessary action with designers for re-design in the event that project budgets overruns are indicated.
- 4.10 Prepare the End Stage Assessment (and any mid-stage Assessments considered necessary) arrange for review by Cabinet, Cabinet Lead and Project Director with recommendations for proceeding to the next stage.

Stage 5: Detailed Design and Tender Documentation

- 5.1 Direct, monitor and co-ordinate designer activity, checking regularly against parameters defined in the Project Definition and PEP, taking necessary action if detailed design development is found to be not in accordance with such parameters.
- 5.2 Review design development with the designers, advising on build ability and directing designers to make any cross-checks with specialist contractors as considered desirable.
- 5.3 Arrange for the preparation of pre-tender cost estimates. Take any necessary action with designers for re-design in the event that project budgets overruns are indicated.

- 5.4 Check that designers are providing information to the agreed timetable for the preparation of tender documentation.
- 5.5 Prepare the End Stage Assessments (and any mid-Stage assessments considered necessary), arrange for review by Cabinet, Cabinet Lead and Project Director with recommendations for proceeding to the next stage.

Stages 6 & 7

1. Recommend the most appropriate procurement strategy, including Forms of Contract and contract packaging, after consultation with specialist consultants.
2. Maintain a detailed procurement schedule indicating for all agreed contract packages all relevant data including:
 - i. Scope of work
 - ii. Completion of design
 - iii. Out to tender date
 - iv. Return of tender date
 - v. Award date
3. Advise special “instructions to tenderers”, “client requirement” or “preliminary” clauses to be entered in tender invitation documents representing project-specific requirements.
4. Review tender documentation as it is prepared to check that the Leicester City Council’s interests are adequately protected.
5. Advise the most appropriate selection process and tender invitation lists.
6. Review tenders, chair any pre-tender or post-tender interviews and recommend award to the Project Director.
7. Check that designers are providing information to the agreed timetable for the construction requirements.
8. Oversee contract administration by others and attend regular site meetings to represent “Leicester City Council’s” interests and to check on progress.
9. Advise on any contractual matters or disputes arising during the course of construction or supply contracts. Any litigation procedures to be considered in close liaison with Leicester City Council’s Legal Services section).
10. Review in the first instance, any requests from designers or contract administrators for changes/variations or additional costs and advise the Project Director on acceptability.
11. Review any proposals from the contract administrator for the issue of any payment, completion, or defects liability certificates.

12. Agree and attend any handover or acceptance testing and recommend acceptance or otherwise.
13. Operate a Risk Management system, identifying key risk areas and providing a review process to manage risk during the contract period(s).
14. Prepare the End Stage Assessments and any mid-stage Assessments considered necessary, arrange for review by the Cabinet, Cabinet Lead and Project Director with recommendations for proceeding to the next stage.

Stage 8: Handover

- 8.1 Liaise with the Project Director on maintenance programmes, provision of maintenance staff and state of services at completion.
- 8.2 Arrange for the submission of all test certificates as well as operation and maintenance certification and manuals including 'as built' drawings. Ensure Health and Safety file is finalised. Arrange for a designated member of the user/operations management team to be briefed on the contents of the Health and Safety File.
- 8.3 Undertake a post project review to evaluate the processes ensuring learning points are not lost.

Note: Sections 6 to 15 are supplementary guidance, primarily for Project Managers.

6. LINKS TO CITY COUNCIL STRATEGIES

While projects are separate developments, they are not divorced from other City Council activity. Major projects will always require significant resources, so it is essential that they meet the City Council's corporate priorities.

The Project Director must be satisfied that the project meets the strategic priorities of the City Council. Identification of the specific priorities which the project supports should be included in the project brief.

6.1 EQUALITY ISSUES

It is essential that equality issues are an integral part of all aspects of the project at all stages of the project's development and implementation. For example, when identifying team members and selecting officers to undertake project management training, care should be taken to ensure a balanced pool of experienced officers are available.

6.2 ENVIRONMENTAL ISSUES

All Project Managers should consider the environmental impact the project will have. These should be discussed with the Project Director/Project Board early in the life of the project.

6.2.1 Environmental Sustainability Checklist

The following sustainability checklist should be used by Project Managers.

Each heading should be scored from one of the following:

- A positive move towards sustainability (+)
- No measurable direct effect (0)
- A negative step or missed opportunity for improvement or a measure likely to lead to environmental degradation (-)

The checklist shows desired movement towards sustainability. Each heading has a theme to set the scene, and is followed by individual points against which to assess the project. A missed opportunity to move towards sustainability should be counted as a negative. Where the indirect effects of a proposal are being scored, all assumptions should be identified and recorded.

Completion of the checklist will result in a list of points where improvements can be made, or conditions may be imposed, to ensure that maximum sustainability is achieved. These should be built into the project plan.

Project name

Appraised byDate of Appraisal

Subject heading	+	0	-	Reasons/comments
Transport				
Economy and work				
Pollution				
Community and participation				
Energy				
Waste and resources				
Open space				
Buildings and land use				
Ecology and wildlife				
Equity and equality of opportunity				
Use of resources				

7. DEVELOPING A COMMUNICATIONS STRATEGY

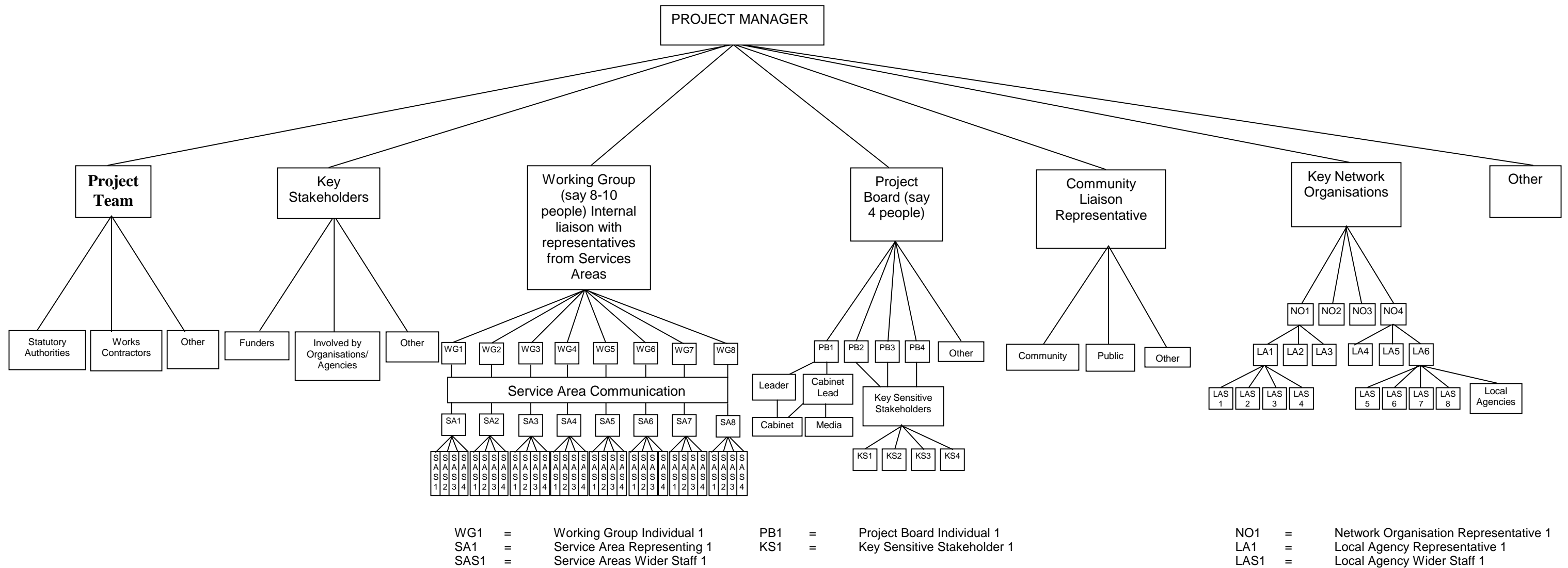
The communication strategy should be developed early in the life of the project because effective communication within the project team and with stakeholders is essential to the successful outcome of all projects.

The Project Manager is responsible for drawing up a communication strategy. The communications strategy must take into account the needs and expectations of the project's stakeholders. Pro-active communication should be developed, including internal and external publicity as appropriate.

Project Directors/Project Boards should ensure that individuals who are good communicators are chosen to manage projects and should regularly check that effective communication is taking place within the project team and with the project's stakeholders.

An important part of communication within the Council is to ensure that all project participants are aware of the overall 'big picture' and where their role fits within it. Everyone involved in project management has a role within the communication process, as shown in the following diagram.

Communication Cascade Example to Facilitate Information Dissemination



The communications will be through various media suited to the communication channel e.g. formal one page monthly progress report, press release, verbal communications etc

8. FINANCIAL MANAGEMENT

8.1 PRODUCING PROJECT BUDGETS

As with all other aspects of project management, the project will operate within the Council's procedures, so the Council's Financial Regulations apply.

It is good practice to produce a separate project budget to establish how much the project will cost. If the project has partners outside the Council, or is in receipt of external funding, then it is essential to produce a separate project budget. For projects funded from within existing resources, there may not be a Council financial requirement to prepare specific project budgets, because staff and other Council costs will already be accounted for within existing budgetary provision. A project budget will enable cost benefit analysis to be undertaken; it is possible that the true costs are significantly different from those anticipated and it could be useful to know this.

The process of incurring costs needs to be considered. In most circumstances commitment accounting will be appropriate.

8.2 FINANCIAL DELEGATION

The level of financial discretion delegated to the Project Manager should be agreed with the Project Director early in the life of the project.

Normally the Project Manager will be delegated authority to make budget revisions which can be accommodated within the overall project budget without prior reference to the Project Director/Project Board. This should be confirmed at the start of the project.

Arrangements for releasing finance should be confirmed, taking into account any specific requirements of external funding organisations if appropriate.

8.3 DETERMINING THE PROJECT BUDGET

The Project Director will normally determine the overall budget for the project, although this may not include all the associated costs, for example City Council staff time. The Project Manager must determine whether the required outcome can be achieved within the available resources. It is important to identify resource problems in the early stages of project development, rather than run out of money half-way through implementation.

If additional resources need to be secured from external sources, funding applications should be built into the project brief (stage 2) and securing the funding will be a key milestone for the project. If less funding than originally anticipated is secured, then a re-appraisal of the project must be undertaken, including consideration of whether the project is still viable.

The project's budget is concerned with the cost of development and implementation, not the costs associated with running the completed project. However, it is essential that the Project Director ensures running costs are available after completion of the project. This should be considered as part of the Investment Appraisal.

Consideration should be given to the need to resource and produce project budgets for related activities for a short period after the project is complete.

8.4 PREPARING THE PROJECT BUDGET

To draw up the project's budget a calculation is made of the cost of people and materials for each task. This should be done as the first draft of the project plan is prepared and always before project work begins, as there may be insufficient resources to implement the project as planned. Should there be a mismatch between available budget and projected project costs, the Project Manager should consider whether changes can be made to the plan which will save money, but not affect the end result. If this cannot be achieved, the Project Director/Project Board must be consulted. If additional resources are not available, the Project Manager and Project Director/Project Board should consider what the alternatives are.

For some projects it will be possible to establish specific income and expenditure codes, although this will not be appropriate for all projects. Even if specific project codes have been established, it may not be practical for all expenditure to be charged against it, e.g. staff time and accommodation costs. The Project Manager should calculate these "hidden" costs. Anticipated project expenditure over the life of the project should be identified and a project budget produced.

For some projects it will be necessary to produce a cash flow. At its simplest, this will show the project income and expenditure on a weekly or monthly basis. Project Management software is capable of tracking resource costs.

The level of budget detail should be agreed with the Project Director/Project Board, taking into account the needs of the Council, external partners and funding organisations.

8.5 FINANCIAL VALUE OF HUMAN RESOURCES

It is normal in project management to assign financial values to the human resources employed in the delivery of the project. This is essential if "in kind" leverage is required or if the staff time is to be paid for, but it may not be necessary if these do not apply. However it is important to recognise that staff time will increase the true cost of the project significantly and this must be quantified to know the true cost to the Council of the project.

8.6 LEVERAGE

Projects which are utilising external sources of funding may need leverage from the City Council. If part of this leverage can be 'in kind' then it is essential to quantify the cost of all staff employed on the project, usually using time recording.

All sources of leverage, both cash and in kind should be identified and assigned a financial value.

8.7 APPROVING THE BUDGET

The Project Director/Project Board should always approve the budget before project implementation begins. For most major projects, the Cabinet Lead will also be consulted.

8.8 BUDGET REVISIONS

Regular budget monitoring is essential to identify changes to the budget forecast at the earliest possible point in time. When changes to the project plan are made, it is important that the need to make amendments to the project budget are also considered and discussed with the Project Director/Project Board. Even relatively modest changes to the project plan could have significant impact on either the timing of resource needs or the overall project budget. If the project is operating over more than one financial year care must be taken with the budget, to ensure funding is available when it is needed.

As the project progresses, costs may rise making it difficult or impossible for the project to proceed as originally envisaged. In these circumstances a full analysis of the options should be undertaken.

8.9 FINANCIAL IMPLICATIONS

The Project Manager is responsible for ensuring that the Head of Finance of the Lead Department and the Chief Financial Officer as appropriate are kept up to date with the financial implications of the project. It should not be assumed that circulation of reports is sufficient.

9. INVESTMENT APPRAISAL

In the public sector, Investment Appraisal has traditionally been a finance driven process. Today, a more responsive approach is called for, in which society's values play a major part in decision-making. Investment Appraisal must therefore include stakeholder involvement so that concern for the values that are important to communities can be addressed and the best possible result is achieved for all concerned. This is particularly true in the delivery of construction or major building refurbishment projects.

Given the diversity of projects, objectives will vary greatly. It is important that the project's objectives are clearly defined in line with the original proposal and expressed fully in the project brief, in relation to quality and quantity. They must have measurable targets set with timescales; this will ensure achievements can be fully identified and addressed.

The objectives should be explicitly linked to the problems identified and the strategy proposed. They should reflect the reasons for initiating the project, including links to corporate strategies and priorities. Project activities should directly address the objectives. Monitoring success of projects should always be undertaken with reference to the objectives.

A project plan should be established which reflects the project brief and should also define the measurable outputs anticipated from each project activity, indicating when these will occur. Outputs are the immediate achievements, not the longer term outcomes, which should be assessed separately at an appropriate point at the end of the project.

To aid monitoring and evaluation, a set of indicators should be identified in the project brief which are reflected in the project plan, these should relate to both project objectives and anticipated outputs. They will give an indication of the starting position and anticipated results. Progress and achievements can then be monitored and assessed against these values, both during implementation and upon completion of the project.

The project outcomes are the ultimate reasons why the project is being undertaken. They are usually longer term. It is important to establish these at the start of the project, to give a basis for monitoring long-term success.

The following examples of outputs and outcomes can be directly translated into quantifiable indicators:

- New jobs created (output)
- New jobs maintained after say 12 months (outcome)
- New public and private investment in the area (output)
- Change in the incidence of crime (outcome)
- Number of training places provided (output)
- Number of trainees finding employment (outcome)
- Area of new buildings (output)
- Changes in the number of vacant properties (outcome)

- New facility or service provided (output)
- Number of users of a new facility after say 12 months (outcome)
- Area covered by environmental improvement (output)
- Improvement in local environmental conditions (outcome)

Decision issues relating to both capital and revenue investment appraisal could include:

i. **Capital Finance**

- Has money been set aside to provide the capital provision for the Council element of the project?
- How secure is the external finance?
- What conditions apply to the external finance?

ii. **Risk Factors**

- How have the capital costs been assessed?
- What action could be taken if the final capital costs exceed the budget?
- Would other partners increase their contributions if capital costs rose?

iii. **Revenue Costs**

- What assumptions have been made in assessing running costs?
- Where running costs are to be met from existing budgets:
 - What will be the impact on other parts of the service?
 - If reductions are needed in other parts of the service, can the savings be achieved in time to implement the new project?
- To what extent does the project require a growth bid to cover the running costs?
- To what extent are running costs dependent on income – what are the implications of a shortfall?

iv. **Strategic priorities of the Council**

- What are the main priorities which the project will contribute to?
 - How does the project contribute to the development of the Council's strategy?
 - Is the project's contribution to strategic priorities significant?

v. **National and Regional Priorities**

- What are the main national and regional priorities which the project will contribute to?
 - How does the project contribute to the development of these priorities?
 - Is the project's contribution significant?

10. RISK ANALYSIS & MANAGEMENT

Risk exists whenever decisions are made where the outcome is not absolutely certain. Project failure can occur whenever expectations and reality turn out to be different.

10.1 IMPORTANCE OF RISK ANALYSIS AND RISK MANAGEMENT

Risk analysis and risk management are an essential part of Project Management.

At every stage towards completion of a project, there are opportunities for things to go wrong. It is essential that Project Managers don't wait for problems to emerge before responding. Developing comprehensive contingency plans will help to ensure success. While it is impossible to eliminate uncertainty or change, it is possible to manage even unexpected changes more effectively. While it is impossible to guarantee success, it is possible to reduce the risk of failure.

Risk Analysis is concerned with identifying and quantifying aspects of the project that could go wrong.

Risk management is the process of acting in a way that minimises the effects on the project if the risk happens.

A risk which is not managed can be expected to develop into a problem.

10.2 TYPES OF RISK

i. **Internal and external risk**

Risk may be internal or external to the project. Generally internal risks are more easily dealt with because they are likely to be within the Council's control. External risks, such as withdrawal of a sponsor or the weather are outside the Project Manager's control, but still need to be analysed and managed as far as is possible by developing contingency plans.

ii. **Project risk and Health & Safety risk**

Project risks are areas of general risk within the Project Manager's direct responsibility. Health and safety risks are those areas that are the responsibility of contractors. In relation the Health and Safety risks, the Project Manager must ensure that the contractors have undertaken full risk assessments.

10.3 UNDERTAKING RISK ANALYSIS

Risk analysis should be undertaken at Stage 2 in outline, followed by more detailed risk assessment at the start of Stage 4. To ensure the impact from risks is minimised **risk must be managed throughout the life of the project** and reviews carried out on a regular basis and at key points, such as major changes in direction and at the end of stage reviews.

Key Steps in Risk Analysis and Risk Management

A systematic approach to risk management must be adopted. The following approach is widely accepted:

i. Identification of Risk

Unless Project Managers are aware of the potential problem, it is impossible to manage it. It is useful to brainstorm all the things that could go wrong,

ii. Assessment of each risk identified

The brainstorming session will identify lots of potential problems. The aim isn't to prepare contingency plans for all of them. Consider each idea, evaluate how likely it is to occur and what its impact on the overall success of the project would be. The aim is to identify high risk, high impact areas.

It is likely that a small number of potential problems will have a significant impact on the overall effectiveness of the plan.

It is possible to minimise the importance of some low-scoring problems, which, were they to occur, the outcome could be catastrophic. Remember, it is essential to use judgement. If an outcome would have a serious impact on the project, then consideration must be given to the likelihood of the problem occurring, the actual nature of the impact and the level of compromise needed if a less risky option is taken.

iii. Prioritisation of risks

Risks must be prioritised at an early stage. Resources should be concentrated on those risks which, if they were to occur would have most impact on the success of the project. Techniques for prioritising risks are described later in this section.

iv. Control of risks

Having identified, assessed and prioritised the risks, action to control them is then considered, to reduce their likelihood, consequences or both.

Techniques for prioritising risk

i. Assessing the value of risks

Having identified the potential risks, each is given 2 values:

- one relating to the likelihood of the risk occurring
- the second relating to the impact it will have on the project

Multiplying these values together gives a weighting for each risk.

It is essential to note that many types of risk are difficult to measure and scoring is usually subjective.

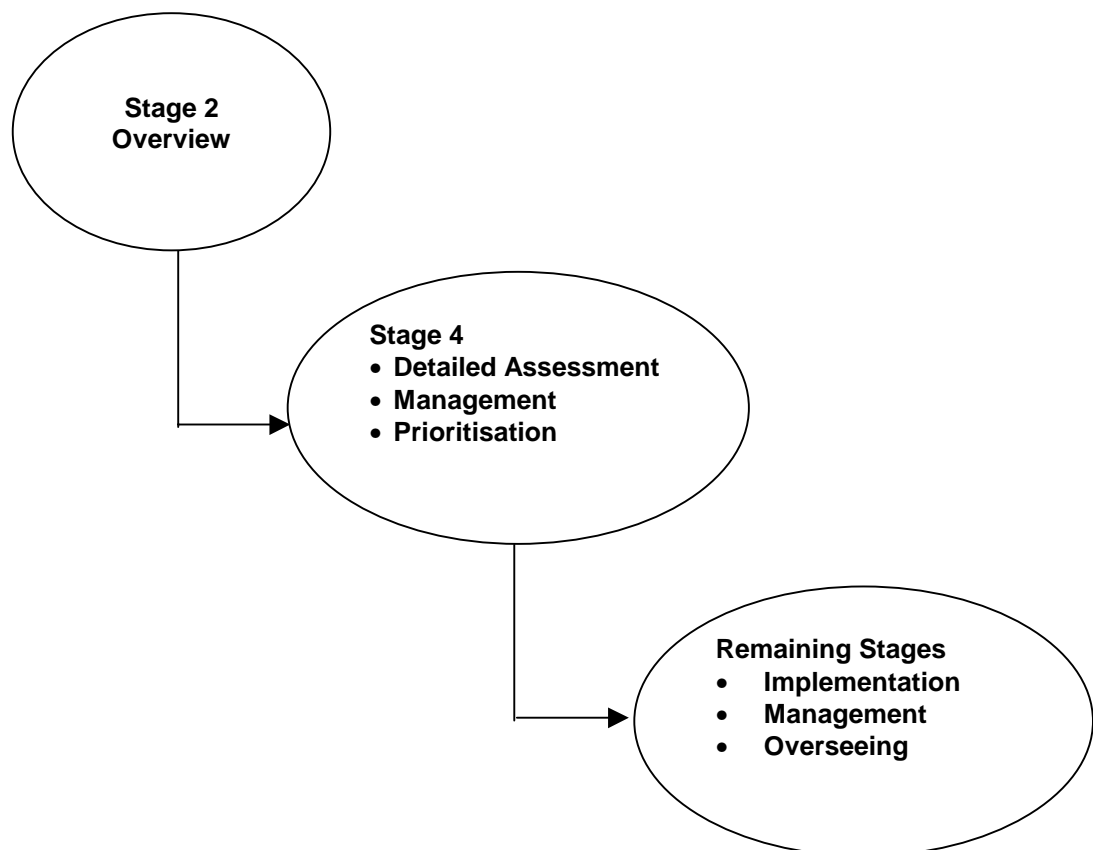
ii. **Using Microsoft Project in risk analysis**

When using Microsoft Project to produce a Gantt chart, the software automatically produces a critical path diagram (areas with no float or spare capacity). The diagram also identifies where there is float. It is generally accepted that overall lack of float makes the project higher risk, because there is little scope for delay without impact on the end result.

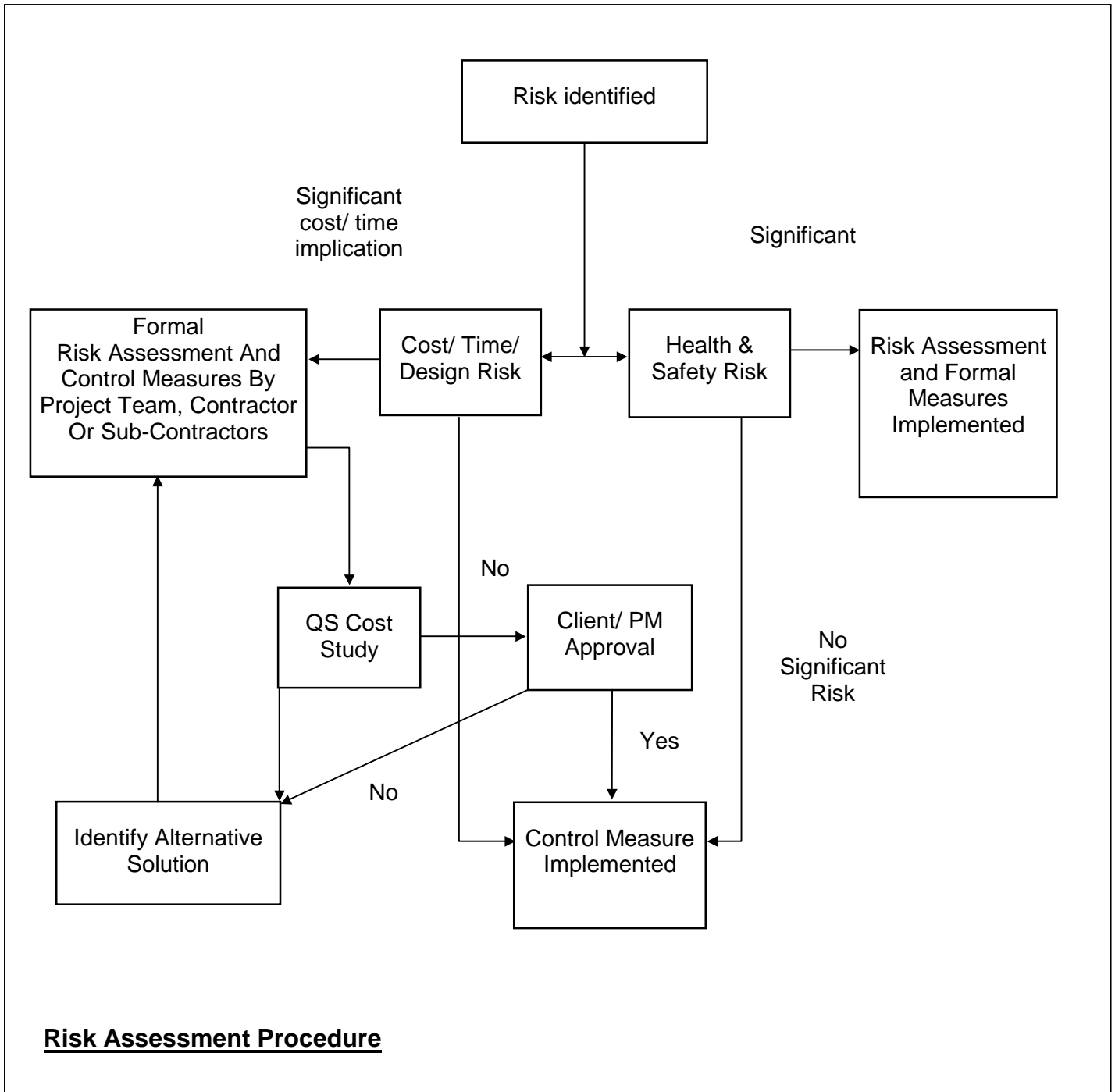
iii. **Producing a risk register**

For large or significant projects, it is advisable to record all risk areas in a register. The register should record the following information:

1. subdivision of risks into more detail
2. a measurement of probability and consequences
3. identification of responsibility for managing the risk
4. a record of the importance, cost and acceptability of the risk
5. a statement concerning the cost of mitigating actions
6. a schedule of timing of actions
7. an assessment of residual risk
8. a record of changes in importance, cost or acceptability of the risk.



Risk Throughout the Process



11. PROGRAMME GUIDANCE

11.1 DEVELOPING THE PROJECT PLAN

All the activities that need to be carried out to complete the project must be identified and developed into a project plan. The plan will identify all the activities, the resources involved, how long they will take to complete, and their relationships with each other. The plan should always have the support of all parties involved in delivering it.

11.1.1 A well defined activity has the following characteristics:

- Clearly identifiable beginning and end points
- Progress and completion are easily measured
- The time and cost of completion can be estimated and monitored
- It is manageable and independent of other activities

11.1.2 Steps to constructing the project plan:

- i. Identify the key activities to be carried out
- ii. Divide each activity into tasks that must be done to complete the activity.
- iii. Identify who is responsible for completing each task

11.2 ESTIMATING

11.2.1 Estimating Time

The next step in developing the project plan is to estimate how long each task will take. It is advisable to consider three time estimates for every task:

- i. The most optimistic estimate of the time needed to complete each task if everything goes exactly to plan.
- ii. The most likely time needed to complete each task, taking into account the usual delays.
- iii. The most pessimistic time needed if everything that could go wrong, does go wrong.

From these three estimates, the average completion time can be calculated for each task. This method can be short circuited for activities which are particularly familiar, however it is always advisable to guard against complacency and to consider whether familiarity will prevent things going wrong.

It is also necessary to consider both the number of people who will work on each activity, as this will have a bearing on the time needed and the inter-relationship between tasks eg. having heavy plant on site for several consecutive days to deal with several tasks may be cheaper than it coming back several times.

11.2.2 Estimating Activity Cost

There are essentially four major types of costs associated with any task:

- i. labour/staff time
- ii. materials
- iii. other direct costs (travel, telephone etc.)
- iv. indirect costs (i.e. overheads - office rental, utilities, administrative costs)

It is important to ensure that all costs to be met from the project budget are estimated as accurately as possible. However, as with all aspects of estimating, estimates are not guarantees and budget monitoring will be essential throughout the life of the project.

11.2.3 Resource Planning

The Project Manager needs to identify the resources needed to complete the project, including person time. This will establish the commitment required from the individuals involved. It is helpful to identify when resources are required, so that pressure points are identified. The following questions need to be answered:

- i. Are all those involved able to give the time commitment required of them when it is needed?
- i. Are the costs within budget? If not can the project proceed or do cuts need to be made?
- ii. Are team members and their line managers aware of the time commitment required by the project and the possible impact this will have on other work?

Projects often fail because team members are over stretched; they are expected to undertake project work whilst still performing all their other duties. The Project Manager may need to negotiate time with team member's line managers. (see also section 1.4 for more information on the reasons projects may fail).

12. CHANGE MANAGEMENT

Most project plans will require some changes to be made. Changes cannot be suppressed, but they must be controlled through mid and end stage assessments and highlight reports. The process for making changes to the project plan must be agreed with the Project Director/Project Board, including the level of delegation to the Project Manager. For example, it may be considered acceptable for the Project Manager to make changes without prior reference to the Project Director/Project Board if the changes will not impact on the project outcomes in any way. Usually the Project Manager has delegated authority to refuse requests for change from team members, but must seek approval for changes to be made.

12.1 APPROVING OR REFUSING REQUESTS FOR CHANGE.

Before any changes to the project plan are made, these must be fully justified in a mid or end stage assessment or highlight report, taking into account the impact on the project overall. The impact on the project's budget, timescales and objectives must all be considered. The use of a change control form is advisable for any changes to the project plan. While this may seem bureaucratic, it will ensure that:

- i. All the implications are well thought out. It is possible for a seemingly trivial change to be made, which leads to a sequence of events with a major cumulative impact.
- ii. If individuals are free to vary the project, it could lead to confusion for others involved.
- iii. Changes are recorded in case there are problems later. This will contribute to the audit trail (see section 5.4).

12.2 TIMELY CHANGE MANAGEMENT

It is essential that requests to change the project plan are considered without delay, as there may be implications for work which is currently being undertaken. Others may be less urgent, but require significant decisions to be made. Ideally, changes proposed by team members will be considered by the Project Manager within 24 hours and a decision made, or a highlight report produced as appropriate. Assurances of a prompt decision are more likely to encourage the use of the form, rather than individuals making unauthorised changes and worrying about the consequences later.

12.3 CHANGING THE PROJECT PLAN

Every time a change is made, the project plan must be amended promptly and re-circulated to team members. To avoid confusion the revised plan must be dated. Team members must always submit requests for change as early as possible and always before the task is due to start.

12.4 AUTHORISATION TO APPROVE OR REFUSE CHANGE REQUESTS.

There are four options and these need to be considered and agreed in advance by the Project Director/Project Board in relation to the different aspects of the project.

i. Delegated authority to the Project Manager

It is usual for the Project Manager to have some delegated authority. The following are examples of potential delegation; they will vary for every project:

- a. Can refuse requests for change from team members.
- b. Plus or minus 2% or fixed sum variance to the total budget, whichever is the lower.
- c. A delay of no more than one month.
- d. Changes to project team members or responsibilities within the project team.

ii. Decisions by the Project Director/Project Board

Decisions not delegated to the Project Manager will be the responsibility of the Project Director/Project Board. When considering appropriate levels of delegation it is essential that there are no delays in considering change requests, as delays could have an impact on the overall success of the project. Some projects at certain times may be moving fast and the Project Board may not be able to respond promptly enough. An alternative would be for the Project Manager to be given responsibility for identifying change request that need an urgent decision and when this arises, the Project Director can make the decision without reference to the Project Board. It is advisable to consider whether alternate arrangements are necessary if the Project Director cannot be contacted, for example due to sickness or annual leave.

Occasionally the Project Director/Project Board may ask for changes to the project plan. When this arises, the same discipline of considering the implications thoroughly is strongly recommended.

iii. Endorsement of decisions by the Cabinet Lead

It is advisable to identify at the beginning of the project those areas which if they were to be changed would need political endorsement. Should requests for change come from elected members, the Project Manager/Project Director should consider the implications and advise members promptly.

iv. Involvement of the end users in decision-making

The role of end users in agreeing changes to the project should be given careful consideration. If end users are represented on the Project Board, this does not require separate consideration. If end users are not involved in the development of the project, then their involvement in change management is likely to be restricted to changes to the project's objectives. It is important however, that any changes to the overall outcome are communicated promptly to the end users.

13. TOP TIPS FOR SUCCESSFUL PROJECT MANAGEMENT

13.1 SOME REASONS WHY PROJECTS FAIL

This section identifies some of the most common reasons that projects run into trouble. While their avoidance is not a guarantee of success, to proceed with a project displaying any of these characteristics, without remedying the situation, will almost certainly lead to project failure. Remember that most projects that fail will have problems in the early stages. If a project starts badly, it is likely to end badly, unless significant remedial action is taken. **It is the responsibility of the Project Manager and Project Director/Project Board to regularly consider whether any of these characteristics are present, and if so, to take urgent remedial action.**

- i. A purpose which is too ambitious.
- ii. Lack of clarity about the aims and objectives of the project.
- iii. Failure to allow enough time to plan properly.
- iv. Failure to plan in sufficient detail.
- iv. Unclear lines of authority and responsibility.
- v. Inappropriate or overly complex management structures.
- vi. Inadequate resources.
- vii. Poor leadership.
- viii. Failure to monitor progress effectively during the life of the project.
- ix. Failure to evaluate results and learn from past experience.
- x. Poor Communication

13.2 MANAGING THE PROJECT TEAM

Introducing New Team Members

During the life of a project, it may become necessary to bring new members into the team. The Project Manager is responsible for ensuring new team members have an appropriate induction.

Appropriately skilled and Experienced Project Team Members

The nature of major projects is that they must be right first time. While they will provide team members with challenges, **the success of the project is risked if inexperienced people are chosen for key roles.** There may be occasions when some team roles cannot be met by current City Council staff, either because of competing priorities or gaps in expertise. In these instances the use of consultants for specific roles should be considered, taking into account the impact this will have on the project's budget.

Giving the team Purpose and Direction

Team members embroiled in day-to-day detail may lose sight of the purpose and overall direction of the project. **The Project Manager has to keep team members focused on the project's purpose.** This can be achieved in a number of ways:

- i. Ensure team members are clear about the overall purpose of the project and their roles and responsibilities within it.
- ii. Help individuals to identify personal goals.
- iii. Communicate your own enthusiasm for the project.

Clarifying Individual Success Criteria

It is essential to have success criteria for the project itself and within this for individuals to have clearly defined success criteria. The Project Manager should set targets against which performance of team members can be assessed.

Managing Individual Performance

While it is essential to keep project completion in focus, this should not be at the expense of the individual. **The Project Manager needs to assess when each team member needs support or direction, encouragement, reassurance or praise and remain aware of conflicting responsibilities when, as usually is the case, team members are not full time on the Project.**

Assessing the Potential of the Project Team

Project Managers need to consider the following in relation to both the team overall and individual team members:

- i. **Competence:**
What skills, knowledge and experience do they have in relation to the tasks they need to perform? Are they confident or do they need support?
- ii. **Commitment:**
How enthusiastic are they about the project and their role within it? Are they already overloaded, making new work seem like additional stress rather than an opportunity?

14. PROJECT COMPLETION

There are three main areas of work to undertake at the end of the project. These are:

- handing the project over to the customer and end user(s)
- evaluating the project and its processes
- dismantling the project team,

14.1 PROJECT HAND OVER

Much the hard work that has gone into the project can be wasted because not enough thought goes into planning the hand over properly.

If the customer and the end user have been involved from early on, the hand over should contain few surprises. However, it is important to remember that the customer has not been involved in the development of the project on a daily basis, so they may need additional support to understand detailed aspects. Significant problems at this stage are usually as a result of inadequate involvement of the customer/end user during the development of the project.

When projects “go live” and people really start working with the outcome of the project, this is the time that gaps and loopholes are likely to surface, which will need to be rectified. It is important to plan in advance the arrangements to support the transition to full adoption of the project outcome. These arrangements may also involve additional resources, additional time or more money, which need to be budgeted for.

Like all the previous steps the hand over needs to be planned and managed. There will be a number of post-project activities required, these will vary depending on the nature of the project, but may include:

- i. Declaring a project finish date, either the original date in the project plan or an amended one as a result of changes to the plan.
- ii. Establishing an advisory/support team for a defined period.
- iii. Ensuring that adequate arrangements or contracts are made for equipment or systems maintenance.
- iv. Setting up training programmes for user groups.
- v. Training trainers for future user support.
- vi. Proposing further projects to support the objectives achieved.

14.2 POST PROJECT EVALUATION

An important final task for the Project Manager is to evaluate the journey. It is important that the project team are involved in this.

The purpose of evaluation is to determine whether the project has achieved what it set out to do and to ensure learning points are identified and recorded so that they can benefit future projects. It is likely to focus on the relevance, effectiveness, efficiency, impact and sustainability of the project. It is not an

audit to assess whether the procedures used conform to those specified, nor is it an appraisal of the performance of the individuals involved.

It is often claimed that there is no time to undertake post project evaluation. However, without thorough evaluation there is little chance of improving future project performance, both for the individuals involved in this project and for the Council as a whole. There are four main aims of post project evaluation:

- i. To make an assessment of the effectiveness of the project.
- ii. To identify lessons and how these might apply to future projects.
- iii. To provide a measure of accountability.
- iv. To ensure that future projects benefit from the learning which has taken place.

14.2.1 The key areas to evaluate

There are three main areas to evaluate, these are:

- The extent to which the project's purpose has been achieved.
- The extent to which the project ran according to plan, was it completed on time, within budget and in line with the agreed success criteria?
- The lessons learnt.

The following checklist will be helpful in working through the three areas in more detail:

a. Purpose:

- i. Have the project's objectives been achieved?
- ii. Have success criteria been met?
- iii. Have any initial concerns been appropriately addressed?
- iv. Are the customers and end users satisfied with the result?
- v. What impact will the project have?

b. Plans:

- i. Were activities correctly identified?
- ii. Were time scales realistic?
- iii. Was the scheduling of activities correct?
- iv. Were project resources correctly estimated?
- v. Were all team members aware of their responsibilities and authority?
- vi. Were the project's control systems understood by everyone?
- vii. Was project progress and information on resource use regularly reported on?
- viii. What delays and difficulties were there and how were they corrected?

c. Lessons:

- i. What has gone well that can be repeated another time?
- ii. What technical or other problems have occurred and how should they be avoided in future?
- iii. What worked well and why?
- iv. What were the delays and why?
- v. What have individuals done that helped, and how did they do it?
- vi. What principles have emerged that can be applied more widely?

Once the evaluation is complete, it is essential that future projects can benefit from the learning that has taken place. The Project Manager should focus on

the key lessons in a final report, which should be made widely available. **Remember, the way that problems were overcome provides the best advice for future Project Managers.**

14.3 DISMANTLING THE PROJECT TEAM

As the project approaches its conclusion, a good team will gain momentum. If the project has gone well it will be a time to celebrate success. If it hasn't gone so well, it is a time to highlight the lessons learnt and how they will assist in the future (see section 15.2).

As the project finish date approaches, individual team members will inevitably start looking around for what they're going to do next, they may feel they have "moved on" from their substantive role and be reluctant to return. It is the Project Manager's responsibility to anticipate this and negotiate with line managers. It is important to make the transition for project team members as painless as possible. Project Managers should also make sure that team member's work, skills and abilities are clearly credited as part of their personal development and appraisals.

It is also possible that other managers endeavour to poach key people before the time comes to release them.

Project Managers also need to think about what happens next personally and this should be discussed with their line manager.

15. LEAVING AN AUDIT TRAIL

It is essential to ensure the approach to project management adopted will satisfy the needs of:

- The Council's auditors,
- partner organisation's audit needs and
- the audit requirements of external funding organisations.

The following good practice principles should ensure that audit needs are met. If Project Managers are in any doubt, then seeking guidance at an early stage is advisable.

- i. Clear, properly defined objectives.
- ii. Rigorous project planning.
- iii. Documentation of assumptions which underpin both plans and costings.
- iv. Formal cost/benefit analysis of the whole project and of significant options within it.
- v. Clear lines of internal control and accountability.
- vi. Formal control of changes to the plan.
- vii. Regular monitoring framework.
- viii. Clear lines of control and accountability.
- ix. Provision for post project review.
- x. Thorough documentation throughout the project.

16. FEEDBACK ON USE OF THESE STANDARDS

To assist with updating this procedures manual, comments about their practical application would be appreciated.

It will be of assistance if the following approach is taken.

- i. Name of the project(s) that the standards have been used for.
- ii. Name of person making comments.
- iii. Department and telephone number.
- iv. Capacity in which comments are made, e.g. Project Manager, Project Director.
- v. Nature of the comments.
 - Please be specific and, refer by number to the section of the standards to which the comments apply.
 - Identify what impact the issue had on the project.
- vi. Recommended change to the standards with reasons.

Please send comments to:
Jennifer Tillotson,
Resources Management Division, Arts & Leisure Department.