

# Project Management Good Practice

*Helping you to be successful in delivery*

*May 2021*

ARUP



**FUTUREGOV**

**copper**

 Grant Thornton



# Terms & Conditions

- This document has been developed by the Towns Fund Delivery Partner, a consortium led by Ove Arup & Partners Ltd with our partners, Grant Thornton UK LLP, Nichols Group Ltd, FutureGov Ltd, Copper Consultancy Ltd and Savills UK Ltd (collectively 'we'). The content of this document is for your general information and use only.
- Neither we nor any third parties provide any warranty or guarantee as to the accuracy, timeliness, performance, completeness or suitability of the information and materials found in this document for any particular purpose. You acknowledge that such information and materials may contain inaccuracies or errors and we expressly exclude liability for any such inaccuracies or errors to the fullest extent permitted by law.
- Your use of any information or materials contained in this document is entirely at your own risk, for which we shall not be liable.
- This document contains material which is owned by or licensed to us. This material includes, but is not limited to, the design, layout, look, appearance and graphics. Reproduction is prohibited other than in accordance with the copyright notice which can be found at [townsfund.org.uk](https://townsfund.org.uk)
- Unauthorised use of this document may give rise to a claim for damages and/or be a criminal offence.
- This document may also include links to other materials, websites or services. These links are provided for your convenience to provide further information. They do not signify that we explicitly endorse these materials, websites or services.
- Your use of this content and any dispute arising out of such use of the content is subject to the laws of England, Northern Ireland, Scotland and Wales.
- For formal Government guidance on Towns Fund please visit [gov.uk](https://gov.uk)

# Purpose of this document

This pack follows on from the webinar on [Looking ahead to project initiation](#) and sits along side the material on the development of business cases. This guide is intended to introduce the topic, and provide high level advice on the elements of project management. If you require more detailed support, please see [how else TFDP can support you](#).

It sets out current best, or good practice that may be appropriate for Towns.

- It can be used in the development of business cases.
- It can be used to develop the plans and ways of working.
- It will help you get your projects off to the best start.

In this document, there are some links to useful sites for guides, templates and good practice.

## Good Practice – warning!

What others do is right for their context but may not translate into yours. Think carefully about how you apply best practice. At its best it is used to learn and develop, at its worst it is used verbatim, assuming it will make you as good as the best. This can lead to a number of issues:

- it discourages you to think for yourself
- it implies that there is a limit to how good you can be by being best, not better
- it is used without understanding the question you are trying to answer
- these ways of working and standards may be their square peg answer to your round hole question.

# Key guidance documents

## IPA Principles for Project Success

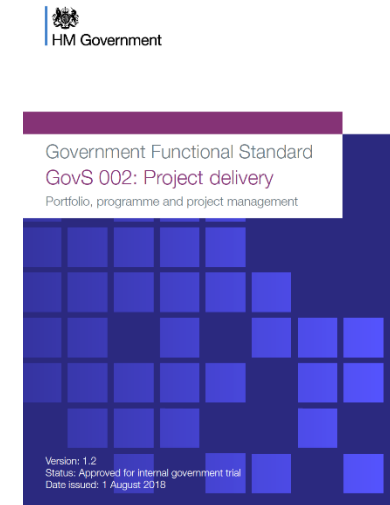
This short guidance document sets out the core principles that underpin successful project delivery. The guide is aimed at anyone that is delivering projects and programmes across government, to help ensure consistency across projects.



## Government Functional Standard

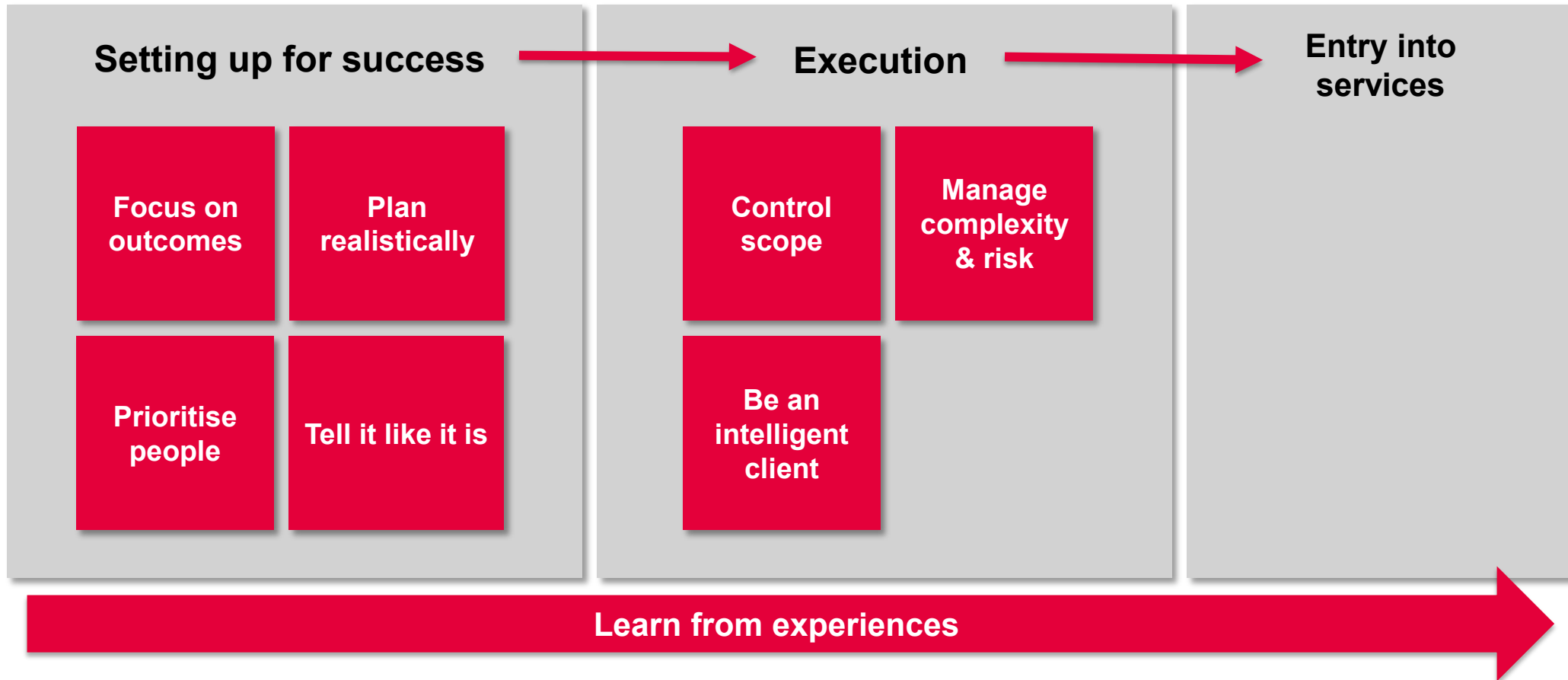
The purpose of this government standard is to set expectations for the direction and management of portfolios, programmes and projects ensuring value for money and the successful, timely and cost effective delivery of government policy and business objectives.

This document contains some basic principles of how to manage projects in the government context.



# IPA principles for project success

This diagram, taken from the IPA Principles for project success, sets out the 8 key principles for project success. It provides an excellent summary of where to focus, particularly in the project initiation (or Setting up for success) stage to ensure the projects are set up for success.



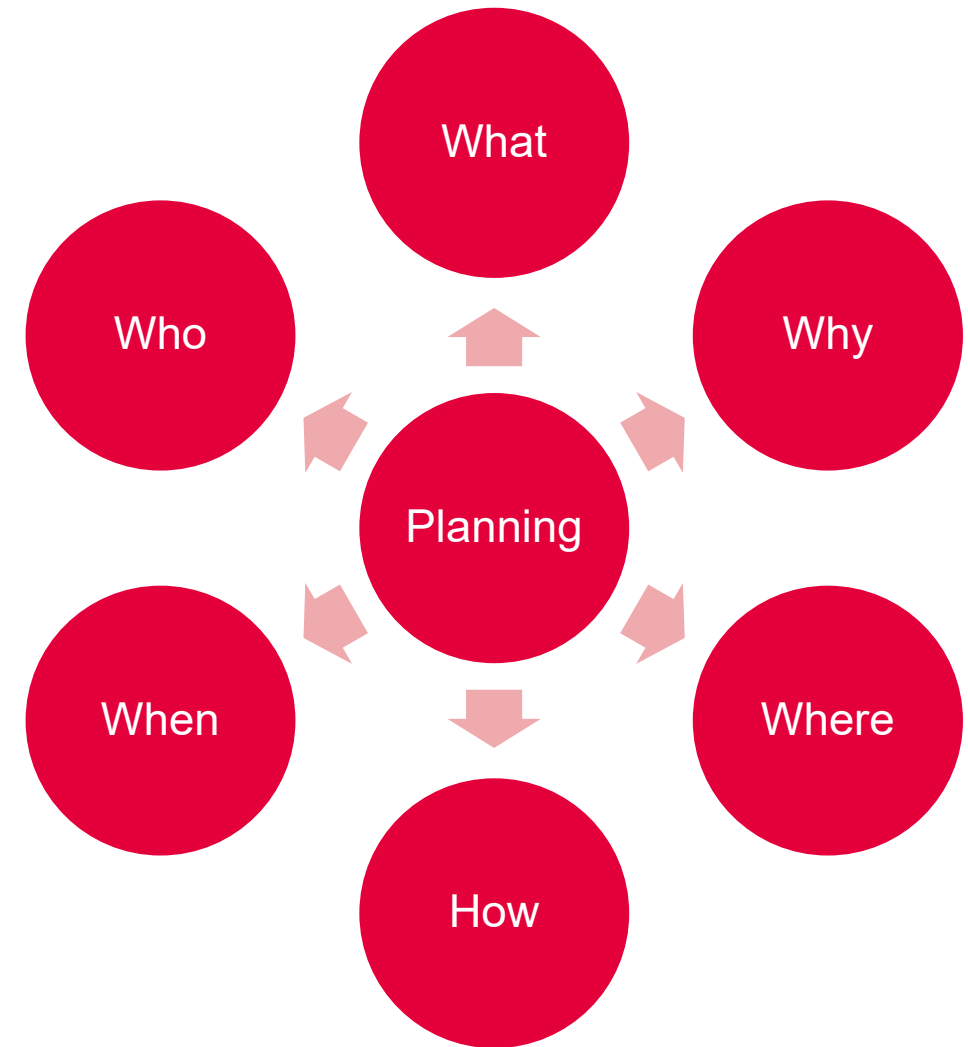
# Planning and the roles of project managers and sponsors

*Details of the responsibilities and desirable qualities of project managers and sponsors*

# Planning

Planning determines what is to be delivered, how much it will cost, when it will be delivered, how it will delivered and who will carry it out.

- **Why** A statement of the reasons the work is required, it includes a definition of the need, problem or opportunity being addressed
- **What** Describes the objectives, scope and deliverables of the work, together with their acceptance criteria. It also describes the success criteria for the project and the key performance indicators (KPIs) used to measure success. The 'what' needs to take into account any constraints, assumptions and dependencies.
- **How** There are alternative ways of achieving stakeholder requirement. The chosen method should be documented along with the reasons for its choice.
- **Who** The project organisation is defined along with key roles & responsibilities, together with a plan defining resources that will be required and how they are acquired
- **When** A Project schedule that includes key milestones, phasing and detailed timings for the activities required to complete the work.
- **How much** Including budgets and cash flows for expenditures and, where appropriate, income.
- **Where** The geographical locations where the work will be performed



# Project Manager

The Project Manager is the key person that arranges and manages the delivery of the project, it is therefore important that they are appropriately qualified to be able undertake this role.

*Get the right people with the right capability to manage the project with the right support*

*How to ensure that your project manager is appropriately capable and qualified?*

- Use government tools and standards such as the 4 levels of project manager
- Ask for someone with the Association for Project Management's Chartered Project Professional (ChPP)
- Use someone with a good track record by looking at their CV and interviewing them



This link will help you determine which skills you need in a project manager  
[Project management skills: client-side vs delivery](#)



# Sponsor

The sponsor of a project is a key role and is accountable for ensuring that the work is governed effectively and delivers the identified needs and objectives

Sponsorship is normally carried out by an individual who may also be known as an executive or client, and may be on the Town Deal Board.

The Project Manager and Project Sponsor need to work closely together. The sponsor needs to be involved in making decisions on the project as they are accountable for the delivery of the benefits and so need to make sure that everything is geared to this

# Project Management Principles

*Outlining the key principles behind effective project management*

# What is Project Management?

Project Management is the application of processes, methods, knowledge, skills and experience to achieve the project objectives

Balancing:

- Quality / scope
- Cost
- Time



***Ask yourself what do you think would happen if...***

- timescales were changed – the project now needs to be 3 months shorter
- cost was changed – the budget has been cut by £100K
- quality was changed – the customer now needs additional quality checks or a different surface on the carpark.

# Managing scope

The scope describes exactly what the project has to deliver.

Scope management is the process whereby outputs, outcomes and benefits are identified, defined and controlled from a plan.

Having well defined scope is crucial for successful planning:

- Documenting what is in and out of scope provides a sound baseline to make sure you deliver what is needed and you can measure progress against.
- The scope is normally documented in a requirements document that details what the output of the project must do, how it must perform, what it must interface with and what standards it must work with etc.
- Each statement must be a single requirement and it must be clear when you know this has been achieved.



***Undefined Scope is one of the most common reasons for project failure***

# Budget and cost control

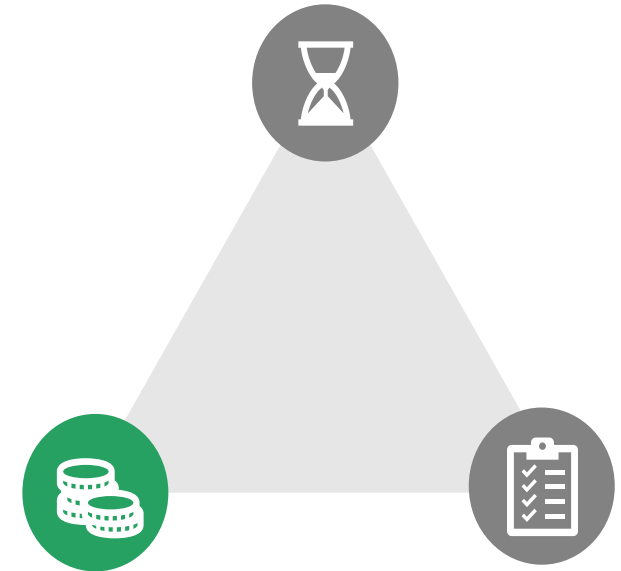
Budgeting and cost control comprise the estimation of costs, the setting of an agreed budget, and management of actual and forecast costs against that budget.

The major components of a budget are:

- **Estimate** – How much the project will cost. Built up from the bottom up, based on quotes or similar projects
- **Contingency** – an amount in reserve for risks and the unexpected

Cost can have 4 possible attributes:-

- **Direct costs** - exclusive to the project they include resource
- **Indirect Costs** - overheads and other charges that may be shared out across multiple activities or departments
- **Fixed Costs** - remain the same regardless of how much output is achieved, such as the purchase of an item or accommodation charges
- **Variable Costs** - fluctuate depending on how much resource is used

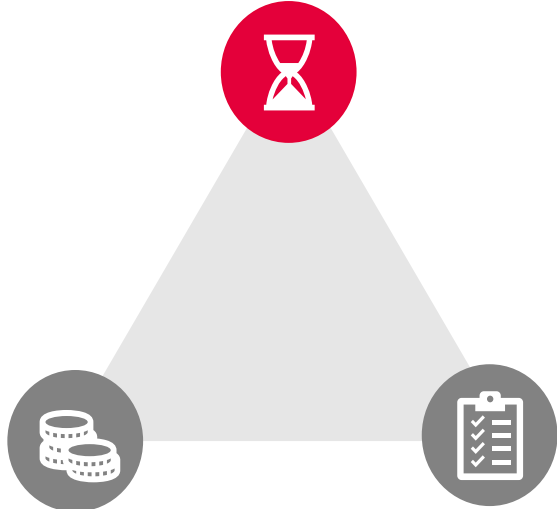


# Managing time with a Gantt Chart

A Gantt chart is a way to show the duration, start time and relationship of the activities that make your project.

Using the links between activities you can see those tasks that can move without impacting the plan, and those that can not. The shortest route through the plan is known as the critical path - Any delay to this path makes your project late.

There are many uses of the Gantt chart, as well as measuring progress it can be used if there is a delay to assess the impact and perhaps change the plan to mitigate any delay



Task	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	
Lay foundation	█	█	█	█		█	█						█	█						█	█								
Build walls					█	█		█	█	█	█										█	█							
Build Roof						█	█														█	█							
Landscape Garden									█	█	█	█																	
Fit Electrics												█	█			█													
Fit Water															█	█	█												
Fit Heating																	█	█											
Paint																			█				█						
Move in																													

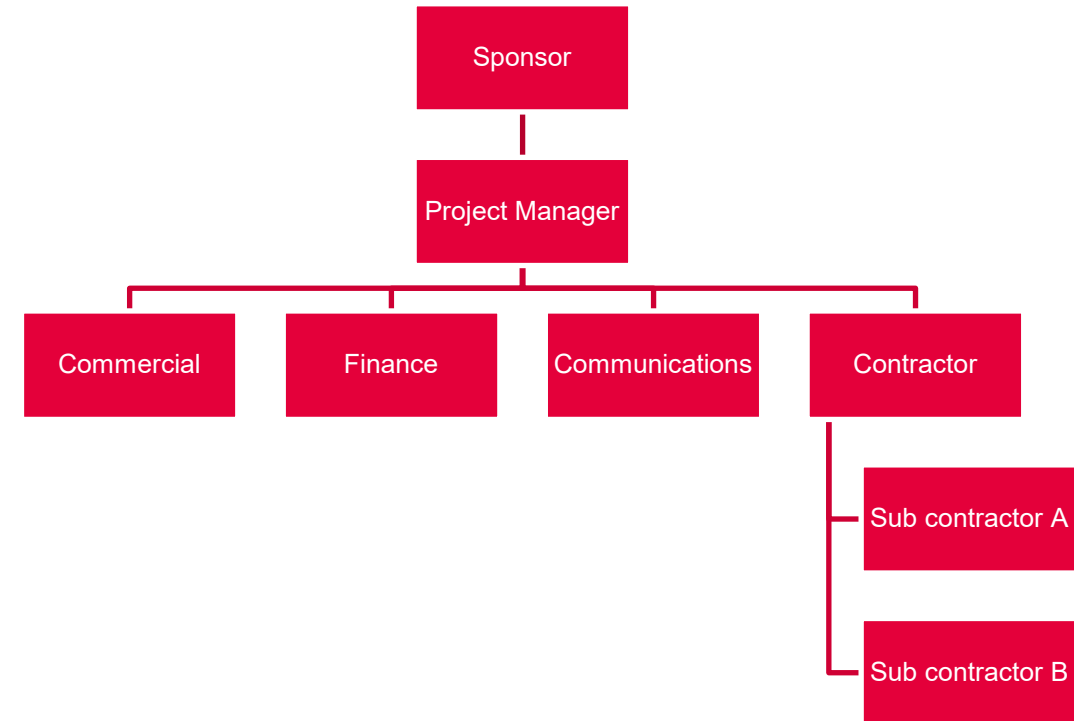
# Key tools and techniques

# Organisational Breakdown Structure (OBS)

The OBS defines the project participants and the hierarchy of their relationships.

It should show the interfaces between the customer, subcontractors and principal suppliers in addition to the internal management structure of the project.

The OBS should clearly and unambiguously allocate roles, accountabilities and authorities throughout the Project organisation. The OBS can also allocate areas of scope to individuals





# Governance

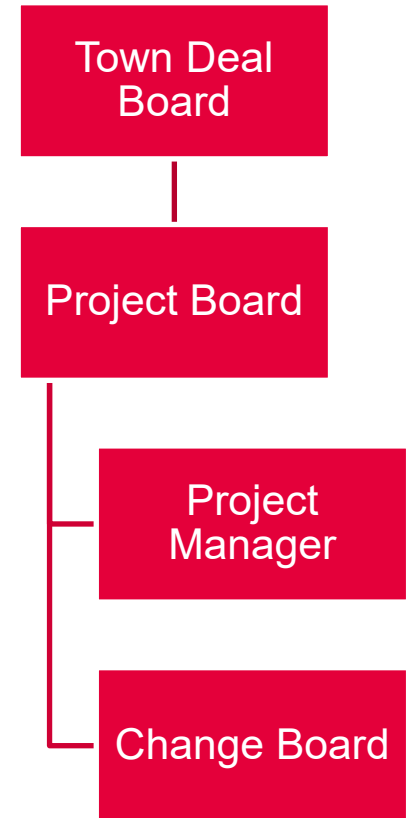
Governance is the set of policies, regulations, functions, processes, procedures and responsibilities that define the establishment and management of projects. Governance is how you control the project and make decisions.

Each Group or individual has a Terms of Reference (ToR) to make clear their:

- Authority, including delegated financial sign off for contracts or changes
- Accountability (what is their job and what needs to be deferred to others)
- What inputs they receive and from whom
- What outputs they provide and to whom (progress reports are key to allow groups like the project board gain confidence and make decisions)

Some of these governance groups may be established already, such as the Town Deal Board, whilst others will need to be set up for the project. This should be done at the start of the project, before any decisions are made, or work undertaken, to ensure that you get off to the best possible start.

## *Example structure*



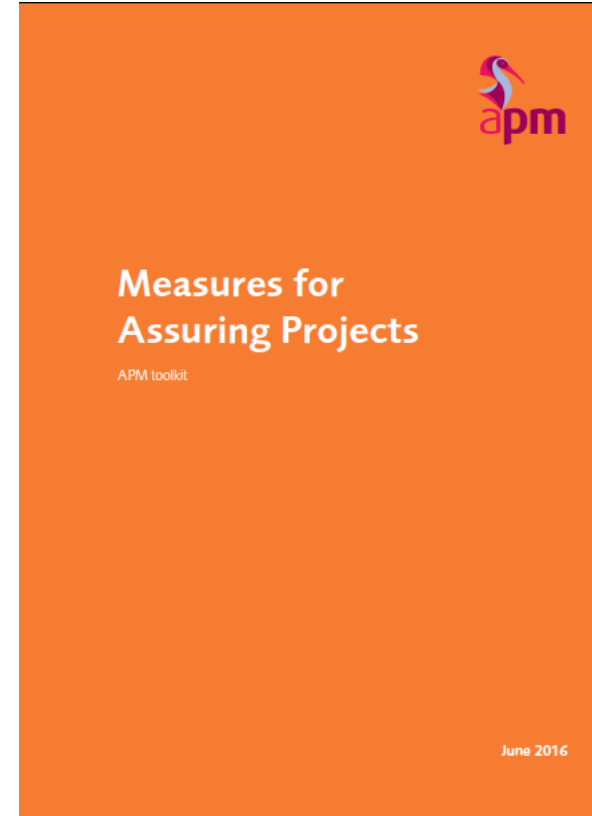
# Assurance

Assurance is the process of providing confidence to stakeholders that projects will achieve their scope, time, cost, quality objectives, and realise their benefits.

It is an independent review looking at how the project is being managed and how it is performing. It can be done by someone outside of the project, by another organisation or individual. An assurance review can look at the following criteria:

1. Client and scope
2. Risks and opportunities
3. Planning and scheduling
4. Organisational capability and culture
5. Supply chain
6. Solution
7. Finance
8. Social responsibility and sustainability
9. Performance
10. Governance

Assurance is a good way to get advice and guidance for the project manager as well.



# Risk management

# Risk Management

Allows individual risk events and overall risk to be understood and managed proactively, optimising success by minimising threats and maximising opportunities

A risk is defined as ‘an uncertain event or set of circumstances that, should it occur, will have an affect on achievement of one or more objectives’

Don't forget **opportunities**: An event or a series of events, which on occurring would offer benefit to a project in terms of cost, schedule or performance



# Risk Management

**All risks should be recorded in a risk register**

## Risk Register

The risks register is used to:

- actively manage the risks and allow a shared understanding for all people in the project team
- produce mitigating actions that are clearly defined and allocated to individuals to carry out
- review and update on a regular basis to make sure actions are being completed and identify any new risks that may have arisen
- allow the team to focus their attention on the high probability, high impact risks

The register should also contain the opportunities to make sure these are exploited as well.



Description – What event will happen and what are the consequences



Probability – a judgement of the chance the risk will occur



Impact – a view of the cost of recovery from this, the delay it may cause and the affect on the outcome of the project

# Risk impact matrix

A good way to see where all of your risks are and which are the most important is to plot them on a grid of probability and impact.

This helps to focus on the most critical risks (shown in red).

		Impact				
		Trivial	Minor	Moderate	Major	Extreme
Probability	Rare	Low	Low	Low	Medium	Medium
	Unlikely	Low	Low	Medium	Medium	Medium
	Moderate	Low	Medium	Medium	Medium	High
	Likely	Medium	Medium	Medium	High	High
	Very likely	Medium	Medium	High	High	High

# Project plan

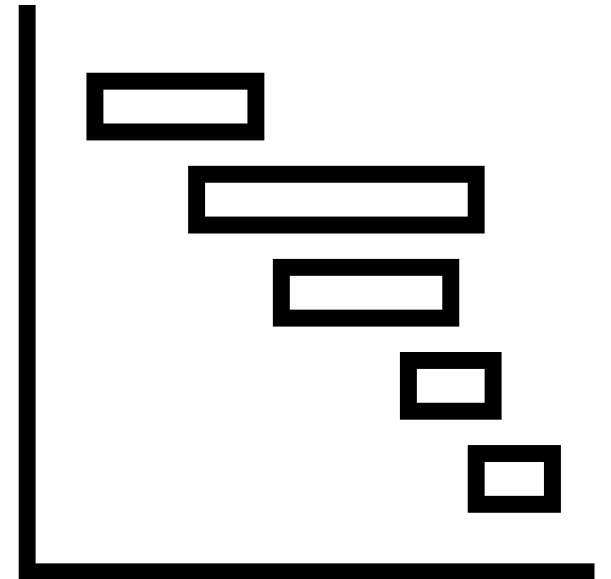
# Project Management Plan

All of the above should be documented in the Project Management Plan which can be based on the Commercial and Management cases of your business case.

The level of detail required within any Project Management Plan will depend on the complexity and risks associated with your project. In other words, you need to ensure that your plan is proportional to the project(s).

It is also important that your plan retains some flexibility. It is likely that things will change throughout the lifecycle of your project, so the ability to innovate and adapt to these changes is important.

The plan should not be something you produce and then ignore. It is a living document that you should use on a regular basis as you learn more about your project, or as things change. It should be viewed as a tool that helps others in the team understand how the project is being managed.





# What a Project Plan could look like?

Element of the Plan	Description
Overview	What is the project? This could be taken from the TIP/Business Case
Scope	What you are doing? and what you are not doing?
Schedule	Milestone or detailed plan showing what will be done, and when
Requirements	Details of what has to be done, i.e. how many, what size, where etc.
Roles and responsibilities	What are each of the people doing and what are they accountable for and to whom, including the Sponsor
Assurance	How do you know everything is on track, and compliant?
Governance	Who decides what and when as individuals or groups. (i.e. TDBs, MHCLG etc.)
Stakeholders	Who has, or could have an impact on the project (individuals, groups)
Commercial	How this will be procured and what form of contract, who from etc.
Benefits	What are the benefits? how are they managed and tracked? Details of how to measure them and when will they be delivered
Key risks	What can go wrong? Include how likely, how impactful the risks could be, and what the mitigation is
Dependencies	Consider both internal and external dependencies. For examples, other Towns Fund or Future High Streets Fund projects etc

# Additional Resources

The following additional resources can provide further assistance:

- The [APM Resources for non-members](#) contains lots of good practice for project management, there are documents, blogs and videos. If you are a member (and your Project Manager should be) there is lots more information for members.
- The [Praxis framework](#) has many templates and useful tools. It is based on many different processes, standards and products and brings together lots of good practice.
- The [Project Initiation Routemap](#) is a structured and tested methodology to set up novel or complex projects for success.

# Further support from TFDP

This guidance document is a brief summary of some of the basic tools and techniques that can be used to help deliver your projects. There are two ways to request support from TFDP if you would like more assistance with your project management:

- If you would benefit from more detailed support on any of the topics covered within this guidance, you can book a one-to-one meeting with Alistair Godbold, our Project and Programme Management expert, using the Expert Drop-in Hour service.
- Speak to your **Town Coordinator** about any specific queries or issues you have, and TFDP will be able to provide more targeted support, in formats such as workshops, seminars and mini guides. Your Town Coordinator will also be able to arrange more in-depth support with Alistair and his team.

**Towns**®  
**Fund**   
Delivery Partner