

# Setting up your project for success

## Seminar 2: Project organisation, governance and assurance

ARUP



**FUTUREGOV**

**copper**

 Grant Thornton



# Welcome

## Speakers

Mark Jones - Nichols, Project and Programme Management advisor

- Over 35 years experience of the application of project management in the planning and delivery of infrastructure projects varying in size and complexity

Simon Bevis– Nichols, Project and Programme Management advisor

Chris Wingham - Nichols, Project and Programme Management advisor

## Agenda

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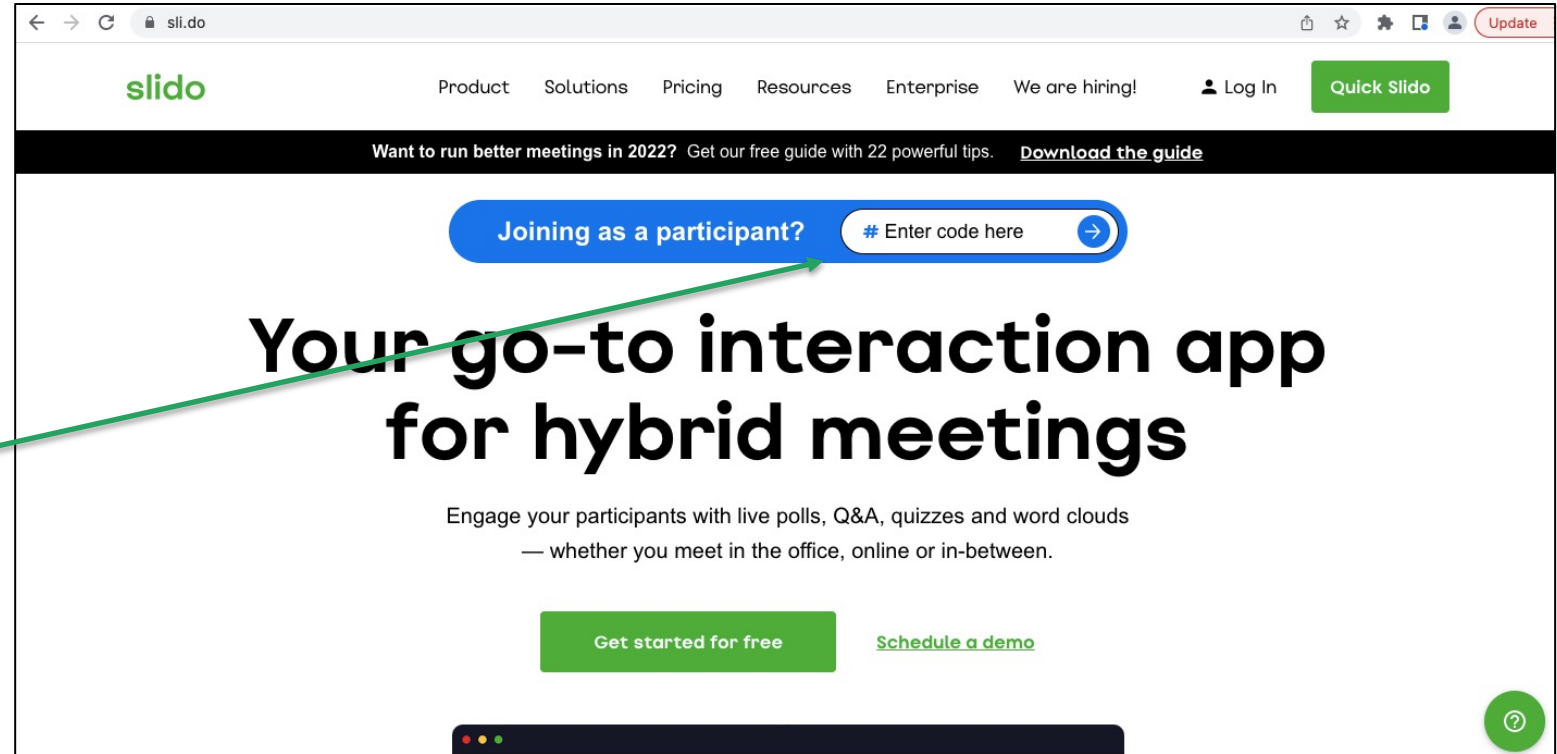
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# Slido

Go to [slido.com](https://slido.com) (on your laptop or mobile phone)

Enter code: **#168479**



Slido questions will appear like this through the seminar presentation slides

# Project organisation planning

## Aims

- To show the importance of the organisational arrangements to project success
- To highlight the need for a tier or layered approach
- To provide some insights into getting your project delivery organisation right

## Outcome

- Confidence that organisational arrangements for delivery are comprehensive, fit for purpose, proportionate, resourceable

# Introduction

Projects are delivered by people from different organisations working together in temporary teams.

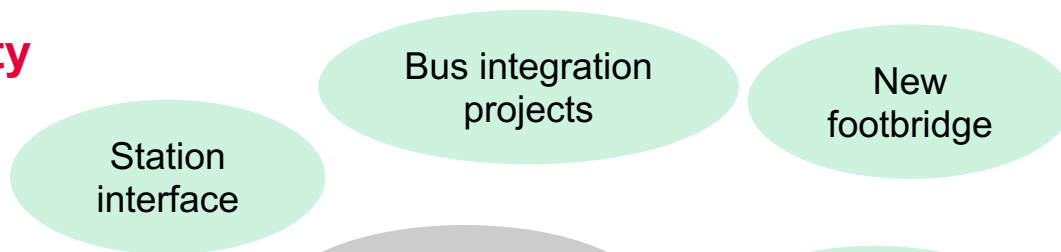
Project teams comprise people with complementary skills and experience, representing different functions and from diverse social/economic/cultural backgrounds.

Organisational design is of critical importance for the successful delivery of projects and is shaped by a variety of factors some of which vary over time i.e. project organisations change through the lifecycle

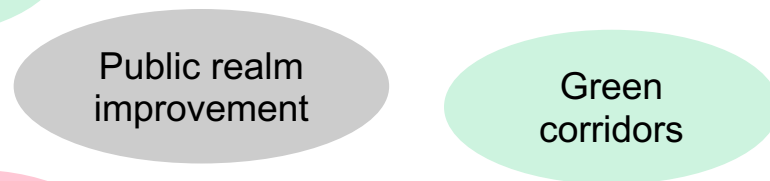


# Towns Fund Project Examples

## Connectivity



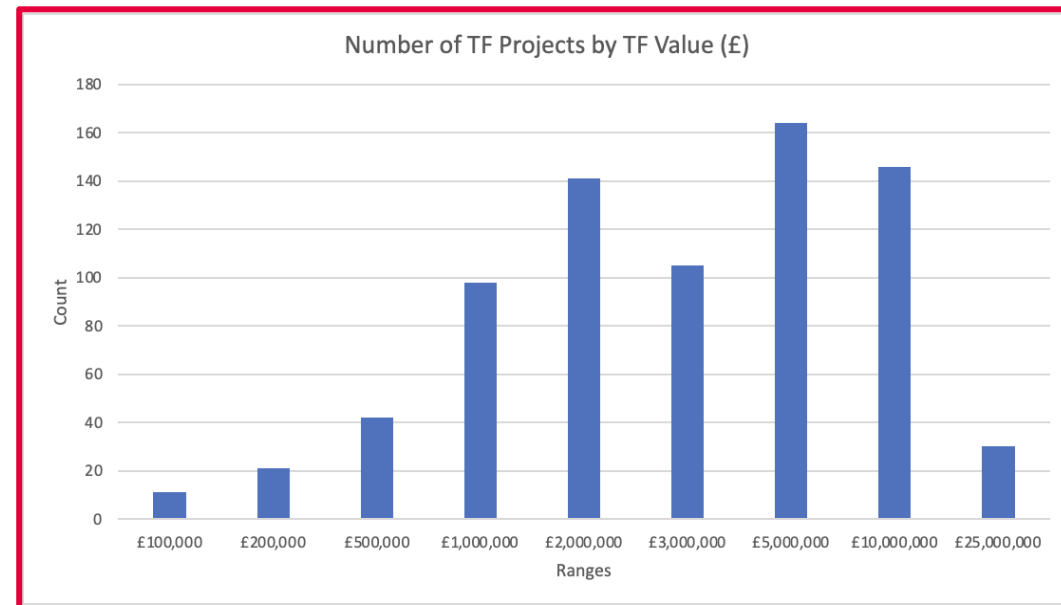
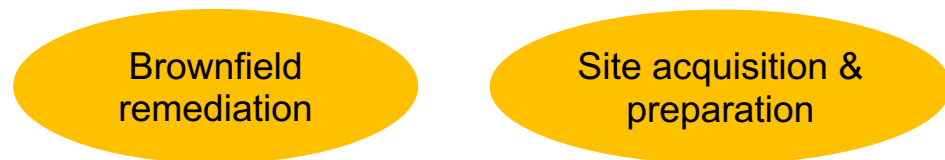
## Place



## Buildings



## Enabling



***Towns Fund projects vary considerably in type, size, complexity 'no one size approach fits all'***

# Planning for success

A KPMG study in 2019 reported that only 1 in 5 organisations deliver successful projects at least most of the time. That would suggest just 20 of the 101 Towns will be successful in delivering their projects – or just 160 of the circa. 800 projects.....how will yours perform?

Typical causes of poor performance and failure poor requirements, unrealistic schedules and budgets, insufficient risk planning and insufficient resource planning.

*Slido Q: in your experience, which of the following organisational reasons contribute to project failure*

- Poor leadership
- Unclear roles and responsibilities
- Inexperienced project managers
- Poor communication across the enterprise
- Cultural or ethical misalignment
- Management disregarding project warning signs



# Some lessons from project reviews

## **Department for Transport** *(Lessons from Transport for the Sponsorship of Major Projects)*

- Accountability must be unambiguous
  - Ensure clarity of role and the extent of autonomy
- Join up across departments
- Behaviour matters more than process
- Invest in building relationships between leaders
- Act decisively when in exception

## **Infrastructure Projects Authority**

- Prioritise people and behaviour – organised and support to perform; *(IPA Principles for Project Success)*

## **National Audit Office** *(NAO – Delivering Major Projects)*

- Build teams with the right leadership, skills and experience to make clear, timely, reliable decisions
- Ensure that programme management changes as the programme develops



# Factors to consider

- **Participants:** projects bring together many organisations and people to translate the business need and make it a reality
- **Fit:** promoters should determine how the project(s) will interface with its core business activities and to what extent it wants to be involved in the delivery (design and construction) of the project.
- **Facets:** projects are multi-faceted and projects structures usually multi-layered
- **Design:** project structures will be driven by participants, their interests, project scope and risks and ability of the parties to own and manage the risks
- **Roles:** clients should be clear on who is the Sponsor (case, funding, requirements, benefits) and Project Manager (delivery scope to Q,T,C,S,E)
- **Resourcing:** should be informed by comparing needs with capability and capacity

*Slido Q: How would you describe the status of your organisational readiness for delivery?*

# Projects involve different teams with different remits

## Town Investment Organisation

- Develops the TIP and Business Case
- Promotes and champions the projects and benefits
- Representation from local community, businesses and Accountable Body

## Client Team Organisation

- Responsible for sponsorship and project management including benefits realisation
- Comprising staff and professional advisors

## Delivery Team Organisation

- Responsible for developing and delivering solutions
- Usually comprising designers and constructors

## Accountable Body(s) Organisation

- Accountable for funding, procurements, contracts, compliance, consents, payments
- Comprising Councillors, Chief Executive, Directors and s151 officer
- Note - S151 officer provides independent view to both the Accountable Body and Board.

*The overall project structure needs to reflect the participants and their changing roles over time*

*Temporary structures*

*Long-term structures*

## Operations Team Organisation

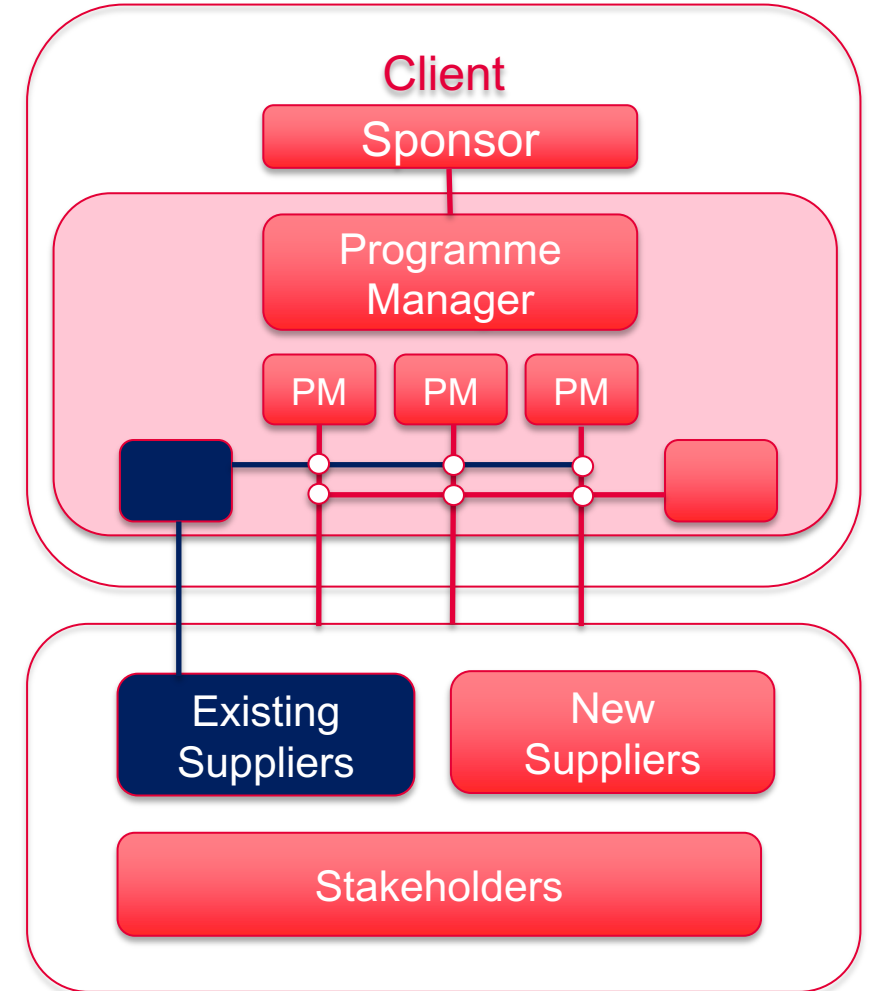
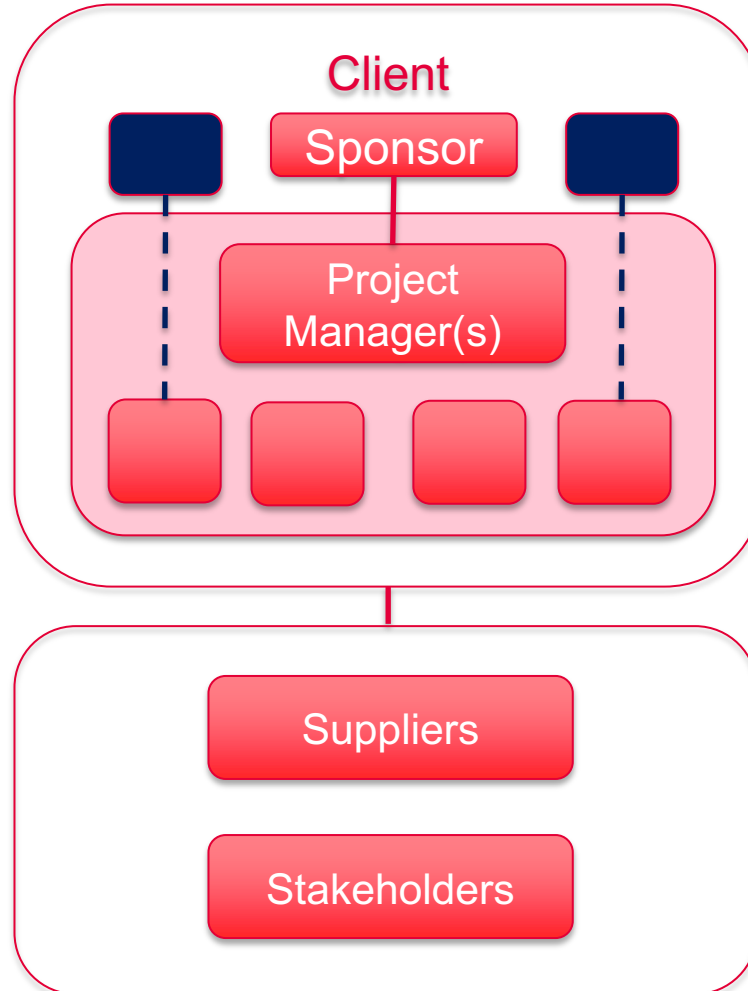
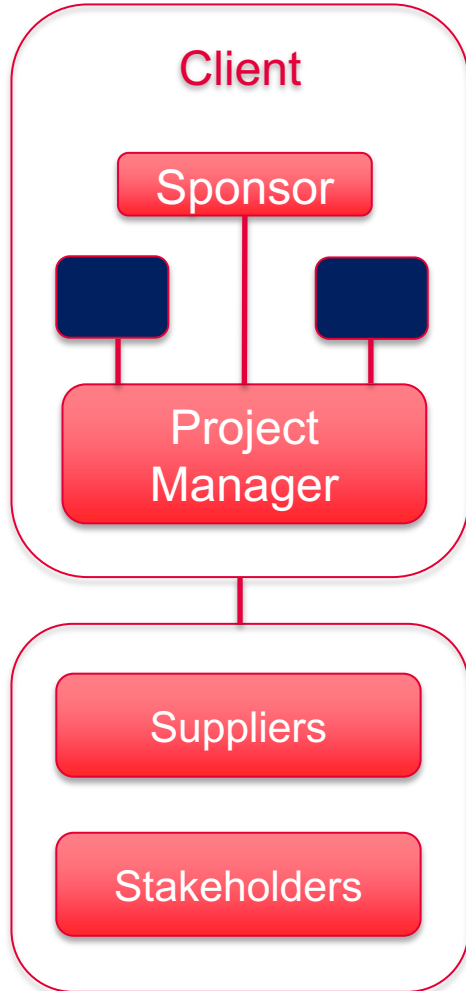
- Responsible for running and maintaining the completed assets
- Usually comprising term or facilities contractors

# Organisational Planning

*Aspects to consider for each stage of the project – moving from development to delivery*

Theme	Programme Level Organisation	Project Level Organisation
1. Remit	List the projects and dependencies	List the project details and management needs
2. Requirements	Capture participants specific needs	List project and company process needs
3. Risks	Identify and allocate the strategic risks	Review and allocate project risk categories
4. Roles	List the participants and their interests	Assign functional roles to manage the risks
5. Responsibilities	Set out what each organisation does	Summarise the responsibilities of each role
6. Relationships	Map participant interfaces	Map the roles to the lead organisation(s)
7. Resources	Establish needs & sourcing strategy	Size the team(s) and FTE inputs
8. Recruit	Reassign or recruit as appropriate	Reassign or recruit as appropriate
9. Rules	Set participants terms of engagement	Agree the ethos and ways of working
10. Reviews	Agree timing and rationale for reviews	Agree timing and rationale for reviews

# Typical Organisational Models



*What's proportional? What's mandated? What's effective? What's efficient?*

# Principles likely to promote successful teams

*"Prioritise people and behaviour"*

*"Behaviour matters more than process"*

Clarity

Vision, aims, roles, responsibilities, requirements, boundaries

Communication

Helpful, open, honest, regular, proportionate

Collaboration

Invest to enhance performance and mitigate risks

Culture

Shared ways of working with lived out values

**Breakout discussion  
(15 mins)**

**Feedback (5 minutes)**

# Organisational Planning Questions

1. How have your organisational arrangements worked so far?
2. What changes do you think may be necessary for your organisation to be ready for the delivery stage?
3. What issues have you encountered/envisage in transitioning to new arrangements?
4. What concerns do you have about your organisational readiness for the delivery stage?

# GOVERNANCE AND DECISION MAKING

## Aims

- To show the importance of governance to project success
- To highlight the different types of governance that might apply
- To provide some insights into some pitfalls and helps

## Outcome

- Clarity about what changes you will need to implement to ensure your project governance is up and running by the time you need it and that it operates well



# Introducing Governance

## Definition Source: APM Website

- Governance is the framework of authority and accountability that **defines** and **controls** the outputs, outcomes and benefits

## Uses

- It empowers project professionals to execute their responsibilities by defining **delegated** limits of **authority** and establishing effective **escalation** routes for **issues** and **change** requests.
- It **provides confidence** to the board of directors/trustees that investments are being well managed.

## Benefit

- When governance is working well, it provides sufficient reporting and control to ensure the outputs and outcomes are achieved within the constraints.

*Slido Q: How would you describe the effectiveness of your Towns Fund governance?*

# Some Governance Pitfalls

*Source: IPA Project Routemap – Governance Module*

- Applying existing corporate governance not designed for controlling capital projects.
- Too many layers can make it difficult and time consuming to gain approvals.
- Unclear accountability leads to decisions being revisited or overturned.
- Inappropriate levels of delegation can lead to extremes e.g. poor vfm or delays
- Lack of transparency in decision-making leads to reduced confidence and trust in the project.
- Arrangements fail to reflect all stakeholders and their expectations.
- Misaligned cultures and groupthink lead to unrealistic delivery expectations.
- Not evolving governance to reflect changing needs results in loss of insight and poor decisions.

# IPA Pillars for Good Project Governance

*Good governance means the **right groups** have the **right information** at the **right time** to make the **right decisions within their delegated authority** to support the timely and controlled delivery of the project to satisfy the **right requirements***

Source: IPA Project Routemap – Governance Module

## 1 Accountability

- What issues and matters need to be subject to governance
- What groups and/or individuals need to make decisions?
- What types of authority are required e.g. Funding, Budget, Procurement, Property?

## 2 Delegation

- Do the the groups and/or individuals have the capability and capacity to make decisions?
- Have they been given the necessary authorities formally?
- Are the delegations efficient?

## 3 Alignment

- Are the accountabilities and delegations relevant for this / the next stage of the project
- When will the arrangements need to be reviewed

*To be effective, the governance arrangements need to be documented, formally agreed and reviewed*

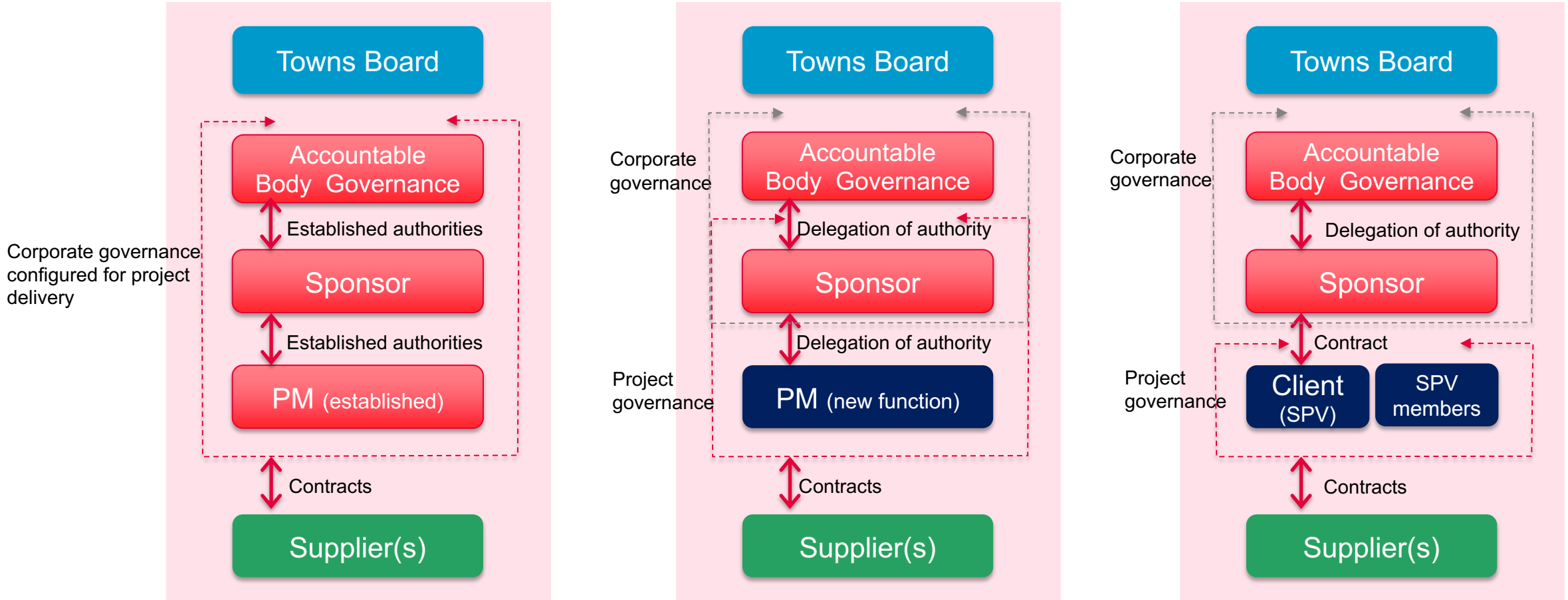
# Towns Fund Governance Decisions - *illustrative*

Governance Type	Town Fund Governance	Accountable Body Governance	Sponsor Governance	Project Governance
Governance Group	Town Board	Cabinet Committee	Programme Board	Project Board
Accountable Person	Chair	CEO / S151 Officer	Sponsor	Project Manager
Remit	<p><i>TIP</i></p> <p><i>Making Decisions:</i></p> <ul style="list-style-type: none"> <li>- What decisions need to be made</li> <li>- Who has the authority to make decisions?</li> <li>- Who gives the authority?</li> <li>- What is the decision making process?</li> </ul>	<p><i>TIP</i></p> <p><i>Business Case</i></p> <p><i>Requirements</i></p> <p><i>Strategic risks</i></p> <p><i>Resources</i></p> <p><i>Funding</i></p> <p><i>Procurements</i></p> <p><i>Contracts</i></p> <p><i>Payments</i></p> <p><i>Changes</i></p> <p><i>Delegations</i></p> <p><i>Disputes</i></p> <p><i>Compliance</i></p>	<p><i>TIP</i></p> <p><i>Business Case</i></p> <p><i>Project Budget</i></p> <p><i>Milestones</i></p> <p><i>Requirements</i></p> <p><i>Programme Risks</i></p> <p><i>PID/PEPs</i></p> <p><i>Client Briefs</i></p> <p><i>Solutions</i></p> <p><i>Changes {&lt;£X}</i></p> <p><i>Disputes</i></p> <p><i>Benefits</i></p>	<p><i>PID/PEP</i></p> <p><i>Project Brief</i></p> <p><i>Project Budget</i></p> <p><i>Project Strategies</i></p> <p><i>Procurement Outputs</i></p> <p><i>Specifications</i></p> <p><i>Solutions</i></p> <p><i>HSSE Plans</i></p> <p><i>Stage Reports</i></p> <p><i>Payments</i></p> <p><i>Disputes</i></p> <p><i>Progress Reports</i></p> <p><i>Changes {&lt;£y}</i></p>

Illustrative documents / approvals / decisions following TF & RIBA plan of work

# Governance for Alternative Delivery Models

There is no one-size fits all approach to governance - consider the scale, complexity and specific requirements of your projects



**A.** Town possesses integrated delivery capability

**B.** Town creates internal capability for project(s)

**C.** Town contracts for Delivery

*Slido Q: Which of these delivery models do you think you will be following?*

# Pointers for Smooth Running Governance

- Set up for the needs and risks of the programme – boards, competence, availability, information requirements, decisions to be made, delegations
- Create a positive culture – adopt and build on the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty, leadership
- Plan of work – set out a forward agenda of information requirements and decisions required and allow for pre-submission checks
- Governance submissions – clear, concise, sufficient, proportionate
- Communication – cascade decisions internally quickly - especially if formal papers will be upload to public facing websites.

**Breakout discussion**  
**(15 mins)**

**Group Feedback**  
**(5 mins)**

# Governance Questions

1. How have your governance arrangements worked so far? What has worked well? Not so well?
2. What changes (e.g. structure, people, process) do you think may need to change to support successful delivery?
3. What issues have you encountered or do you envisage in transitioning to different arrangements?
4. What might you need to promote to improve the effectiveness of your governance?



# DELIVERY ASSURANCE AND REPORTING

## Aims

- To show the importance of assurance and reporting
- To provide an overview and some issues to consider when planning assurance
- To provide some insights into some pitfalls and helps

## Outcome

- Clarity about what you need to do to make your assurance regime work for your projects

# Introduction:

## Definition (APM)

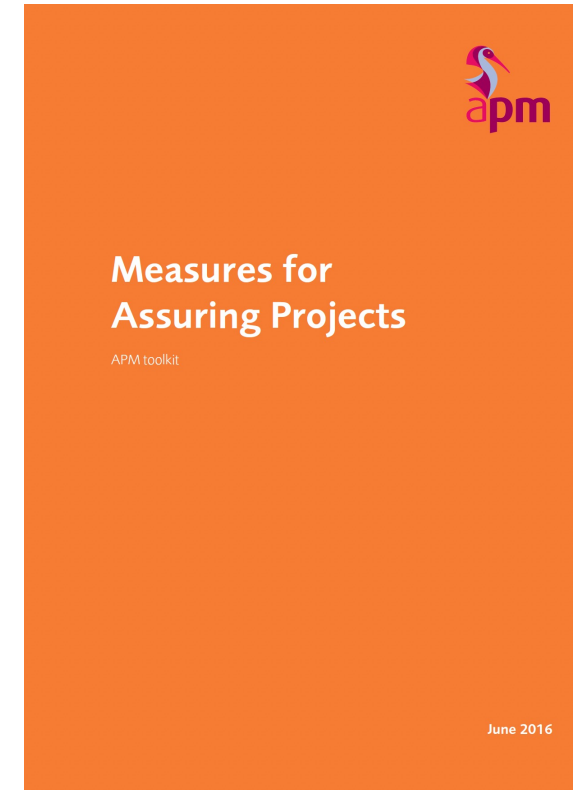
- the process of providing confidence to stakeholders that projects will achieve their scope, time, cost, quality objectives, and realise their benefits.

## Uses

- It supports governance decisions and guidance
- It can confirm strengths and highlight weakness

## Benefits

- When assurance works well it supports efficient project governance and builds belief and momentum



# Some Pitfalls

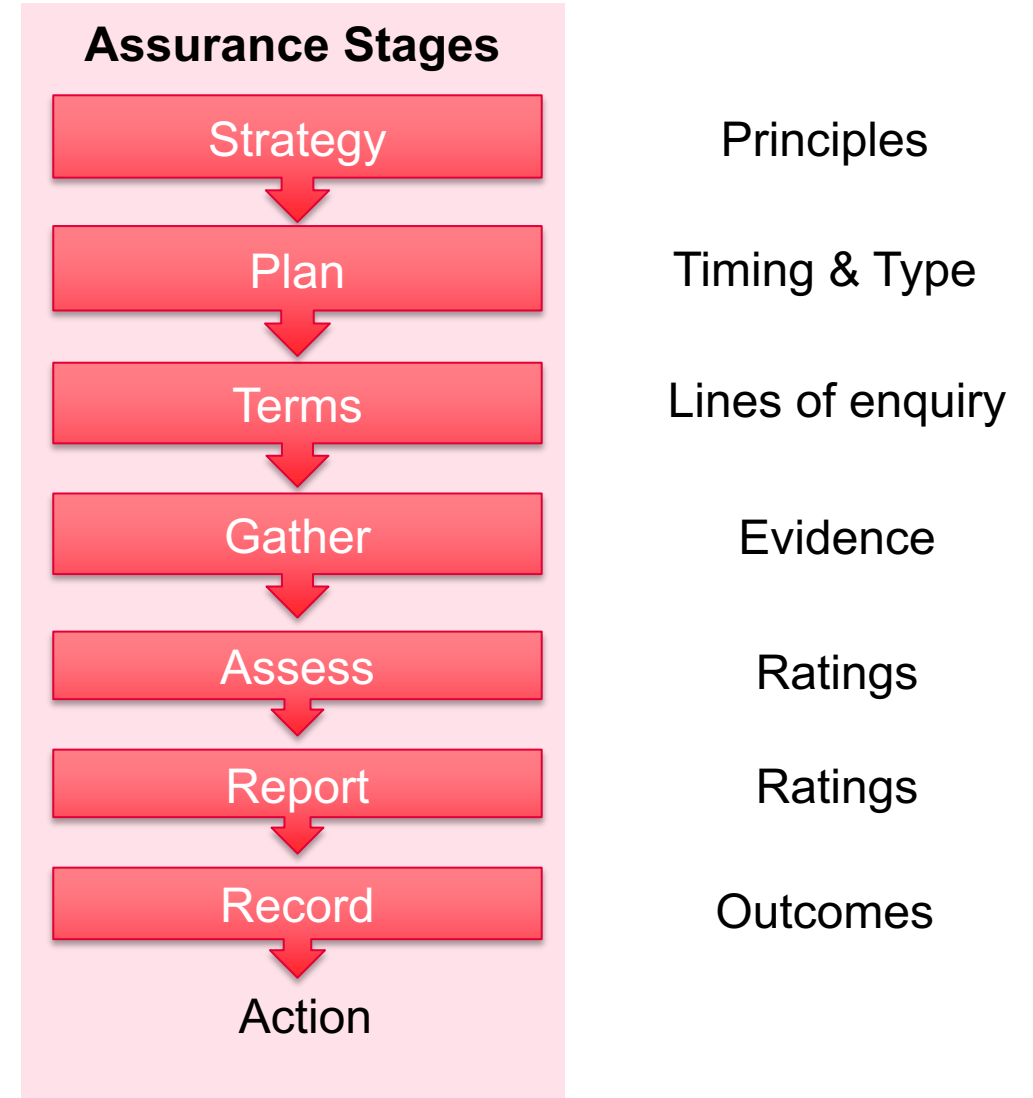
- Assurance is seen as an unnecessary distraction
- Assurance is used to avoid making difficult decisions
- Uncoordinated assurance leads to inefficiency
- Inconsistency across projects undermines its benefits
- Assurance takes on a life of its own that erodes value
- Under-resourced assurance leads to sub-optimal outcomes



# Delivery Assurance Planning

## Some questions:

- Who needs assurance?
- What needs to be assured?
- What type of assurance is required?
- When is the assurance required?
- How will assurance be undertaken?
- Who will be responsible?
- What outputs are required?
- How will the outputs be used?
- What is affordable?



# Assurance Reviews, Ratings and Reporting

Potential Assurance Categories	
Requirements	
Solutions	
Plans	
Risks	
Organisation	
Supply Chain	
Commercials	
Sustainability	
Performance	
Governance	
Processes	



Ratings				
R1	R2	R3	R4	R5
Yellow	Green	Green	Green	Green
Grey	Grey	Yellow	Green	Green
Red	Yellow	Green	Green	Red
Yellow	Yellow	Green	Green	Yellow
Red	Yellow	Green	Green	Green
Green	Green	Green	Yellow	Yellow
Yellow	Yellow	Green	Green	Yellow
Green	Green	Green	Green	Yellow
Green	Green	Green	Yellow	Red
Yellow	Yellow	Green	Green	Green
Yellow	Green	Green	Green	Green

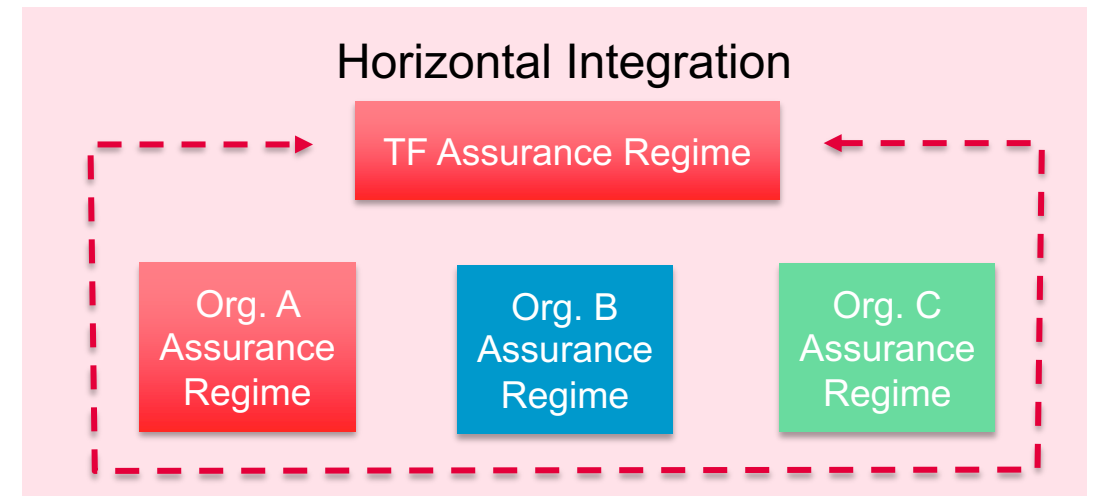
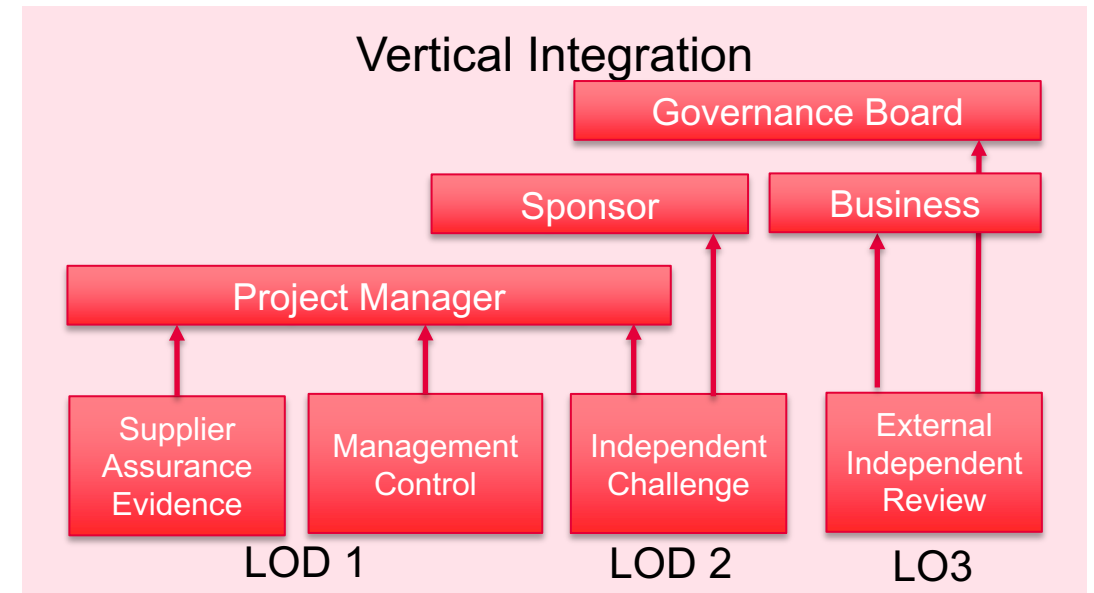
# Integrated Assurance

## Vertical Integration

- Different participants have different needs
- A common approach is to plan assurance using a three lines of defence model
  - LOD 1 – exercised by project team
  - LOD 2 – independent challenge of project
  - LOD 3 – review of effectiveness of L1&2

## Horizontal Integration

- Participating organisations may have established - but not identical processes
- Map assurance processes early to see synergies and seek to promote a 'Towns Fund' approach that meets several needs

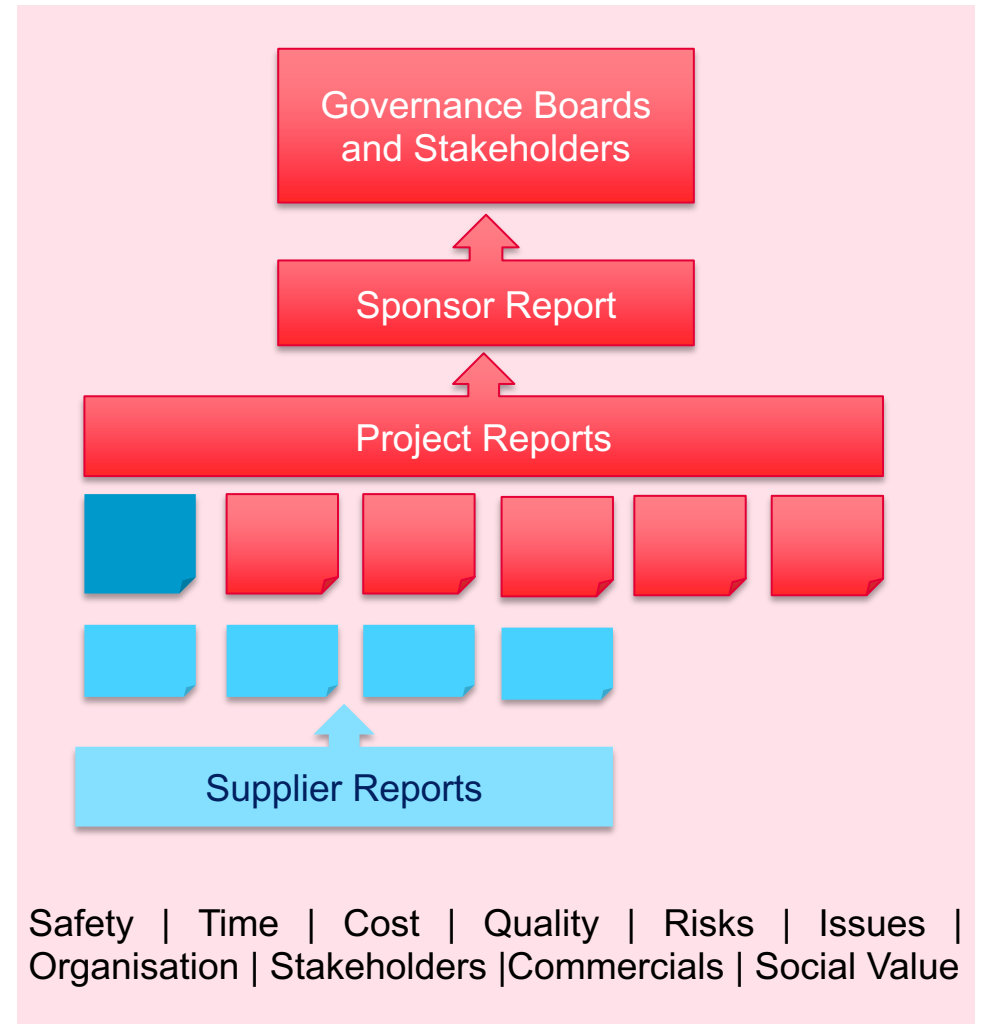


# Performance Reporting

*Slido Q: How would you describe your readiness for delivery progress reporting ?*

## Some considerations

- What does your governance require?
- What do stakeholders need?
- Who will produce reports?
- How often?
- How can you streamline?
- What are the sources of data?
- What is the quality of data?
- How can you simplify?



**Breakout discussion**  
**(10 mins)**

**Group Feedback**  
**(5 mins)**



# Assurance and Reporting Questions

1. How has your assurance and reporting processes worked so far?
2. What might you need to change or challenge for the next stage of your project(s)?
3. What other concerns do you have about assurance and/or reporting

# Summary and Conclusions

# Summary and Conclusions

- Getting your organisation and governance right are foundational for successful delivery
- Assurance and reporting are necessary but need to be focussed and proportionate
- Structure and process are important but people and culture make the difference
- Time invested now in getting ready for delivery will reap benefits later

*Slido Q: What's the most valuable thing you've heard today?*

# How can we help?

## You and your team

- Helping you to identify the team and capabilities you'll need to deliver
- Providing capability development, coaching, and mentoring for project/programme management and sponsorship

## Contact us

- [Simon.Bevis@Nichols.uk.com](mailto:Simon.Bevis@Nichols.uk.com)
- [Christopher.Wingham@Nichols.uk.com](mailto:Christopher.Wingham@Nichols.uk.com)

## Your preparations

- Providing you with a project and programme management viewpoint when developing your business cases in particular the Management Case
- Supporting your preparation for successful project initiation and project delivery using the questions above
- Considering if you have the right sponsor, project management and commercial skills in the right quantity to deliver

**End**