

PROJECT MANAGEMENT AND THE SCHEME OF DELEGATION

A Summary Guide



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CONTENTS

1.	INTRODUCTION	4
2.	EXPENDITURE AUTHORISATION	5
3.	THE FORM A	8
4.	THE PROJECT INITIATION DOCUMENT (PID)	9
5.	CHANGE CONTROL AND SUPPLEMENTARY EXPENDITURE	12
6.	INCUR EXPENDITURE	14
7.	SINGLE TENDER ACTION (STA)	16
8.	PREFERRED TENDER NOT THE LOWEST (PTNL)	18
9.	PROJECT MANAGEMENT - ROLES AND RESPONSIBILITIES	20
10.	RUNNING THE PROJECT	23
11.	PROJECT CLOSURE	25
12.	OTHER AVAILABLE GUIDANCE	26
13.	SMALL PROJECTS FLOW DIAGRAM	27
14.	LARGE PROJECTS FLOW DIAGRAM	28

LIST OF ABBREVIATIONS

CE	Chief Executive
DF	Director of Finance
DO	Director of Operations
DoE	Department of the Environment
FGN	Financial Guidance Note
FM	Financial Memorandum
HOIS	Head Of Information Systems
IHWF	In-House Work Force
MAFF	The Ministry of Agriculture, Fisheries, and Food
NRA	The National Rivers Authority
PAB	Project Assessment Board
PID	Project Initiation Document
PIGN	Policy Implementation Guidance Note
PPA	Post-Project Appraisal
PTNL	Preferred Tender not the Lowest
QRP	Quality Review Panel
RGM	Regional General Manager
RGMW	Welsh Region RGM
RPM	Regional Procurement Manager
SG	Summary Guide (this document)
SoD	Scheme of Delegation
STA	Single Tender Action
WO	The Welsh Office

**PROJECT MANAGEMENT AND THE
FINANCIAL MEMORANDUM AND SCHEME OF DELEGATION**

A SUMMARY GUIDE

PREFACE

From 1st April 1995 a new Project Management guidance manual replaces the Project Management Procedures issued in November 1993. It is being implemented alongside a revised Scheme of Delegation; taken together the two manuals seek to rationalise the approach to authorising and managing expenditure, particularly projects, throughout the NRA.

This Summary Guide is provided as an introduction to the guidance contained within both manuals.

The new documents present subtle, yet fundamental, changes to the way we manage projects. Procedures for gaining project authorisation are now fully integrated with the Scheme of Delegation, and there are numerous other simplifications which will help to speed up decision making.

The most significant change is to place full accountability for the project with the Project Executive. This is an important feature, and fully supports the principles of trust and empowerment which must be promoted throughout the NRA. Moreover, although the Project Management manual must be complied with, key decisions regarding the level of formal management control remain the responsibility of the Project Executive.

In summary, I believe the revised manuals fully support our role in maintaining effective accountability and resource planning when undertaking expenditure. I hope you will use the guidance to help the NRA continue to achieve value for money and deliver successful projects which are so important to the work we do improving the water environment.



**ED GALLAGHER
CHIEF EXECUTIVE**

April 1995

1. INTRODUCTION

The NRA's position as a Non-Departmental Public Body and its support by public money places particular responsibilities on all its employees to ensure value for money and financial regularity at all times. The rules to ensure financial regularity are contained within the **Financial Memorandum and Scheme of Delegation** (PIGN volume 7).

Furthermore, the NRA undertakes a large number of projects of varying types and size in fulfilling its statutory duties. These projects need to be managed to ensure that their justification is properly established and that they are completed to time, cost and quality. Detailed guidance on Project Management in the NRA is provided within the **Project Management Manual** (PIGN volume 14).

The current versions of the Scheme of Delegation (SoD) and Project Management took effect from April 1st '95, the aim having been to rationalise the two sets of procedures and provide a more efficient and more effective system. This document is intended to summarise and explain, but not replace, both manuals.

The purpose of this Summary Guide is to promote general staff awareness of the SoD and the way projects are managed in the NRA, by providing a one-stop overview for users, to introduce detailed guidance contained in manuals.

The following areas are covered:

- The main area common to both the SoD and Project Management - gaining approval for expenditure.
- Areas of the SoD that relate to the letting of contracts.
- Best practice project management.
- References to other SoD and Project Management guidance not covered by this guide.

The forms required for SoD and Project Management are provided within the manuals, and also in computerised form.

Flowcharts illustrating certain areas of the SoD and Project Management are provided within this guide, with the complete set of detailed SoD flowcharts being provided within the SoD manual.

References to the Project Management guidance manual, and also to the Financial Guidance Note on the application of the FM and SoD (also in PIGN volume 7), are provided adjacent to section headings within this guide. The notations *PM1.2* and *PMAppA* refer to Chapter One, section 2 and Appendix A of the Project Management manual respectively, and the notation *FGN1.3* refers to Section 1.3 of the Financial Guidance Note.

Help and advice on the SoD and Project Management is available from PAB Secretaries and SoD Co-ordinators.

Nature of the SoD

There are two distinct levels at which SoD authorisation is required:

- Firstly, proposed expenditure, whether Capital or Revenue, must be justified in principle, in advance. The documents used at this tier are the Form A, PID and Form G.
- Secondly, once expenditure is justified in principle, its incurrence must be separately authorised. The letting of contracts and the raising of Purchase Requisitions are examples of activities falling within this second tier, which is governed by Procurement Manual rules.

This section, along with sections 3, 4 & 5 of this guide, covers the first tier of the SoD.

The Definition of a Project

PM1.2 & AppA

The NRA applies a single definition of a "Project", the aim being to focus attention on those areas of NRA work that require the disciplines of Project Management. The FM also refers to projects, however the definition provided is inconsistent with that required for project management purposes. To avoid confusion, therefore, the term "Justify Expenditure" is used for the purposes of SoD authorisation. As such;

- all discrete items of expenditure to exceed £10,000 need to be justified in advance;
- but not all items of expenditure need to be subjected to the disciplines of Project Management.

The following definition, for project management purposes, applies to all areas of NRA work, and applies equally to NRA staff time costs and both rechargeable and non-rechargeable expenditure. An item of work or expenditure must be defined as a project where it achieves all of the following criteria:

- **identifiable start and end points** (actual or proposed dates need not be known);
- **seeks to deliver an output/product/outcome** (not necessarily physical) ;
- **does not constitute an ongoing or repetitive operational activity**;
- **is intended to identify or implement beneficial change** (to operational practices, policy, assets or knowledge).

In addition to detailed guidance on the application of each of these four criteria, the Project Management Manual contains a list of example projects by function, and also examples of non-project expenditure.

Project Categories

Projects are categorised as small and large depending on whether or not their total cost will exceed £100,000. Small projects may be "uprated" to large projects if they are assessed as "high risk".

The flowchart opposite illustrates the authorisation routes that apply to;

- **non-project expenditure;**
- **small projects; and**
- **large projects.**

The Form A is used to justify both small and large projects and non-project expenditure. Authorisation via a Form A applies in all three cases, as does the de-minimis of £10,000.

For **non-project expenditure**, the Form A provides the required authorisation for the proposed expenditure, subject to meeting the Treasury requirement of a full appraisal being applied to discrete items of expenditure exceeding £100,000.

For **small projects**, the Form A provides full PAB recommendation and SoD authorisation.

For **large projects**, the Form A provides initial PAB recommendation of the project and SoD authorisation of costs (including NRA staff time) to be incurred up to completion of the PID, through which full recommendation and authorisation will be sought.

Identification and Prioritisation of Projects

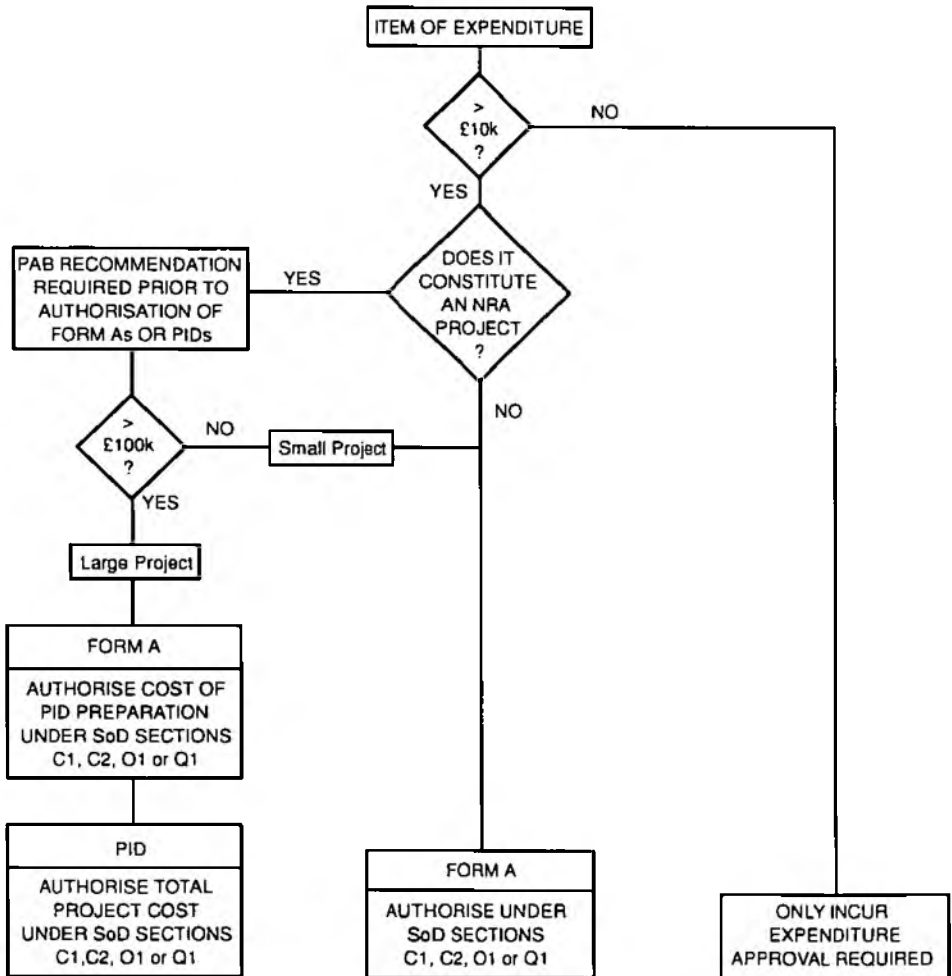
PM3.2 & App.A

The identification of the need or opportunity for a project may arise from various sources, both internal and external to the NRA. The responsibility for obtaining project authorisation, is that of the Project Executive. He or she must also ensure that the proposed project is clearly linked to a corporate priority.

Failure to correctly define an item of work as a project may, in addition to jeopardising the proper execution of the work itself, result in the "invisible" allocation of resources

Once identified, the project must also be prioritised: National projects will be ranked during preparation of the Corporate Plan, whereas for Regional projects further prioritisation (such as inclusion in an approved programme) should take place as part of Regional planning. Where necessary, the Form A (or an early draft of it) should be used for prioritisation of both large and small projects.

PROJECT/EXPENDITURE AUTHORISATION



3. THE FORM A

PM3 & AppC FGN2

The Form A is used both to authorise projects and to justify non-project expenditure, subject to a £10,000 de-minimis.

For **non-project expenditure**, only certain sections of the Form A apply, and on completion of these the Form A should be forwarded straight to the Regional SoD Co-ordinator for authorisation.

For **projects**, details of the proposed project must be submitted to the PAB on a Form A, which must include the following information:

- a description of the need or opportunity for the project, and its objectives;
- the estimated costs and benefits of each of several options including the "do nothing" option, and a recommendation of the preferred option;
- statement of the products of the project, key dates, and the costs to be incurred on the project in each financial year;
- a summary of important risks, constraints, and dependencies affecting the project.

For **small projects**, **Product Descriptions** setting out the objectives and outline of each product, and the quality criteria and review process to be applied, must be attached to the Form A.

For **large projects**, the Form A only serves to obtain authorisation for the costs to be incurred up to the point of PID, and as such is raised early in the life of large projects. For this reason, although all sections of the Form should be completed, various figures and information will be uncertain where detailed appraisal and planning have not been undertaken. For example;

- the estimate for the total cost of the project entered on the form is required only for information, and does not become an "authorised project cost";
- indications of the available options, along with an early estimate as to the most likely preferred option, are required, but for information only, and;
- Product Descriptions do not need to be submitted with the Form A, as they form part of the PID submission.

The PAB will review the Form A and recommend SoD authorisation. In recommending the Form A, the PAB will also ratify the decisions of the Project Executive regarding the appointment of the Project Manager, and Project Board (if any). The Form A should then be passed to the SoD Co-ordinator for authorisation under the SoD.

4. THE PROJECT INITIATION DOCUMENT (PID)

PM4 FGN2

Full authorisation of **large projects** is obtained with the submission of the Project Initiation Document ("PID"). A PID is not required for small projects - these obtain full authorisation with the submission of the Form A. A PID is also not required for non-project expenditure, although the Treasury requires a full appraisal, and therefore a Business Case, for all discrete items of expenditure exceeding £100,000.

The **SoD Coversheet**, not the Form A, is the required document for authorisation of the PID.

The **PID** is the primary planning document to be prepared under the project management procedures. It is a living document which should be updated throughout the project lifecycle. It is comprised of two sections, as follows.

The Business Case

PM4.2 & AppE

The **Business Case** sets out the various options for executing the project, identifying and justifying the preferred option, and must include the following:

- the detailed objectives of the project;
- identification of each option, with an assessment of the environmental effect of each option;
- the costs, benefits and timings of each option in both financial and economic terms;
- identification of the preferred option; and
- identification and assessment of the risks and uncertainties affecting the project.

The necessary steps to take in the appraisal of options are illustrated in the diagram on page 13.

The Project Plan

PM4.3 & AppF

The **Project Plan** sets out the detailed method for executing the preferred option, and comprises three interlinked elements:

- the **Technical Plan**, which sets out any technical specifications applying to the products, and the general approach to product delivery, including the activities and stages to be undertaken and the dependencies between them. The **Technical Plan** will also set out the proposed timetable for the delivery and implementation of the products.
- the **Resource Plan**, which identifies the type, quantity and cost of manpower, materials and financial resources used, and sets out the proposed project team, its organisation, and responsibilities.

- the **Product Description** forms, which set out the outline and objectives of each product, and the quality criteria and review process to be applied. The Product Descriptions also act as the vehicle for acceptance of each completed product by nominated User Representatives.

Where projects can be broken down into discrete stages, it may be appropriate to prepare discrete **Stage Plans**.

Submission of the PID

The completed PID must be submitted to the PAB Secretary, with an **Executive Summary** and a **SoD Coversheet**.

The Executive Summary

PMAppG

The Executive Summary should usually be kept to two A4 pages, and serves to focus the minds of reviewers on the key issues and direct them toward the detail within the PID. A second Form A must not be submitted with the PID, as the PID and Executive Summary fulfil and surpass the roles of the Form A.

The SoD Coversheet

PM4.4 & AppC

The SoD Coversheet is a one-page form that acts as the signature site for the full authorisation of large projects, and also serves to negate the need to attach copies of previous documents relating to a project when submitting either the PID or a Form G.

The PAB will review the PID and recommend the project for full authorisation under the SoD. The PID and its attachments should then be passed to the SoD Co-ordinator, who will obtain the signature of the relevant SoD authoriser on the SoD Coversheet.

Project Cost

The total cost of a large project is the sum of the cost required to run the project and the cost already incurred in preparing the PID. Note that the total cost of large projects remains fluid up to submission of the PID. Also, where the cost of preparing the PID exceeds that authorised on the Form A, this increase can be authorised retrospectively on authorisation of the PID (subject to budget availability and informally consulting the PAB where the increase will exceed 10% of that authorised). No Form G is required.

Grant-Aided Flood Defence Projects

PM4.5

For grant-aided projects to exceed £100,000, the MAFF/WO Engineer's Report can act as the PID. Therefore, Engineer's Reports should be prepared in compliance with MAFF/WO requirements, but must also meet any additional NRA requirements for PID content, rather than layout.

FIGURE 2 - APPRAISAL OF OPTIONS

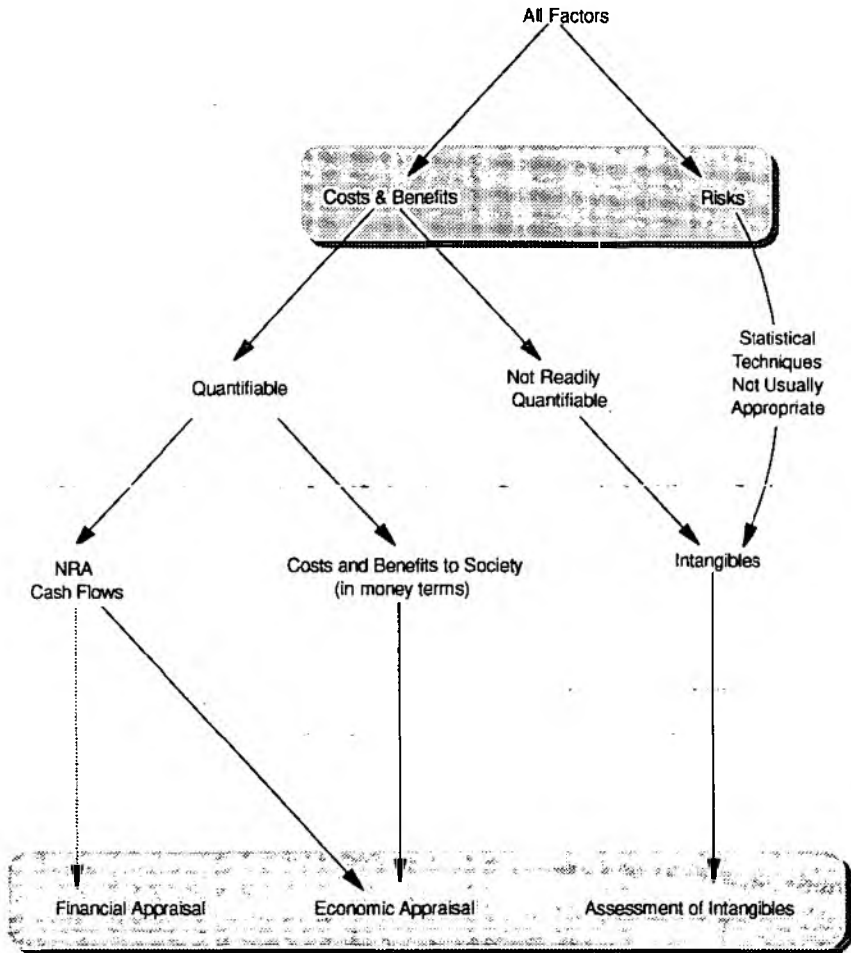
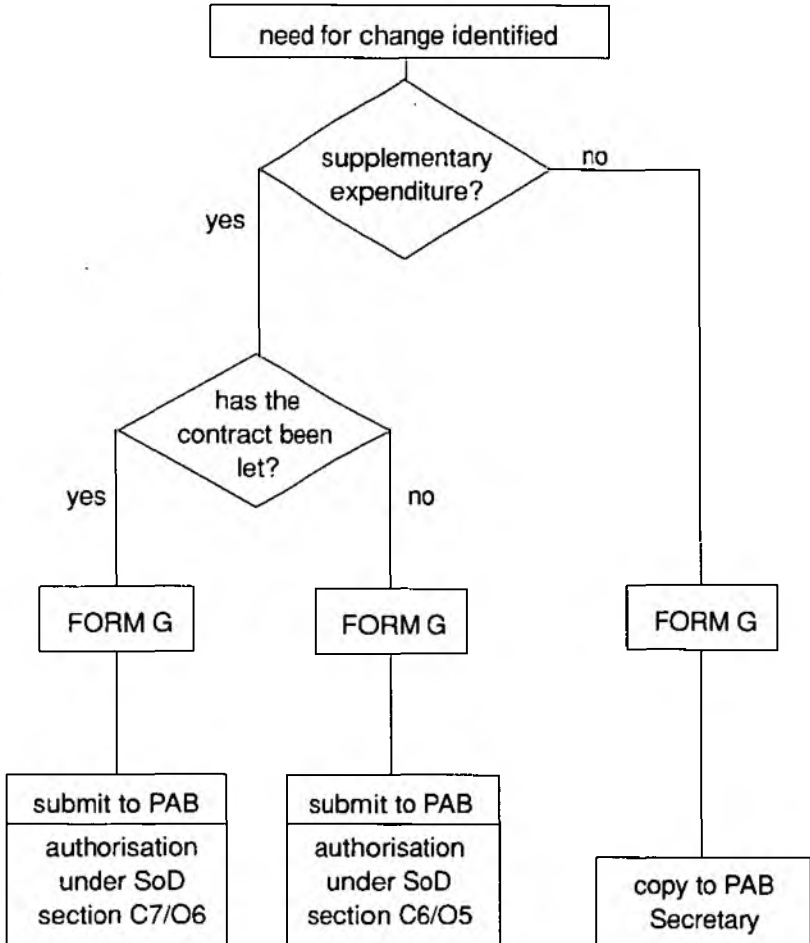


FIGURE 3 - FORM G FLOWCHART



5. CHANGE CONTROL AND SUPPLEMENTARY EXPENDITURE *PM5.3*

Where the authorised cost of a project or item of non-project expenditure is to be exceeded, the Form G must be used to authorise the supplementary expenditure. The Form G must be raised as soon as the need for the supplementary expenditure is established. The Form G is also used to notify the PAB of significant changes to projects not involving increased costs.

For non-project expenditure, the necessary supplementary expenditure, along with its justification, should be set out on the Form G, and the form forwarded straight to the Regional SoD Co-ordinator.

For projects, a greater degree of change control is required:

- All increases in project cost must be recommended by the PAB prior to authorisation under the SoD, such that Form Gs should be forwarded to the PAB Secretary in the first instance:
- The PAB must be notified of significant changes to the project which do not involve an increase in project cost, including decreases in project cost. The decision as to whether a change not requiring supplementary expenditure is significant rests with the Project Executive:
- All Form Gs must be numbered and detailed on the SoD Coversheet for the project. An Executive Summary and an up-to-date copy of the Coversheet must be attached to all Form Gs on submission to the PAB, and:

There are two distinct levels of delegation for the authorisation of supplementary expenditure depending on the reason for the increase:

- 1) **Increases occurring prior to contracts being let** will be authorised under SoD Section C6, the Regional delegation within which being £500,000.
- 2) **Increases in cost arising after a contract is let** must be authorised at Head Office where above the Regional delegation limit set out in Section C7 of the SoD.

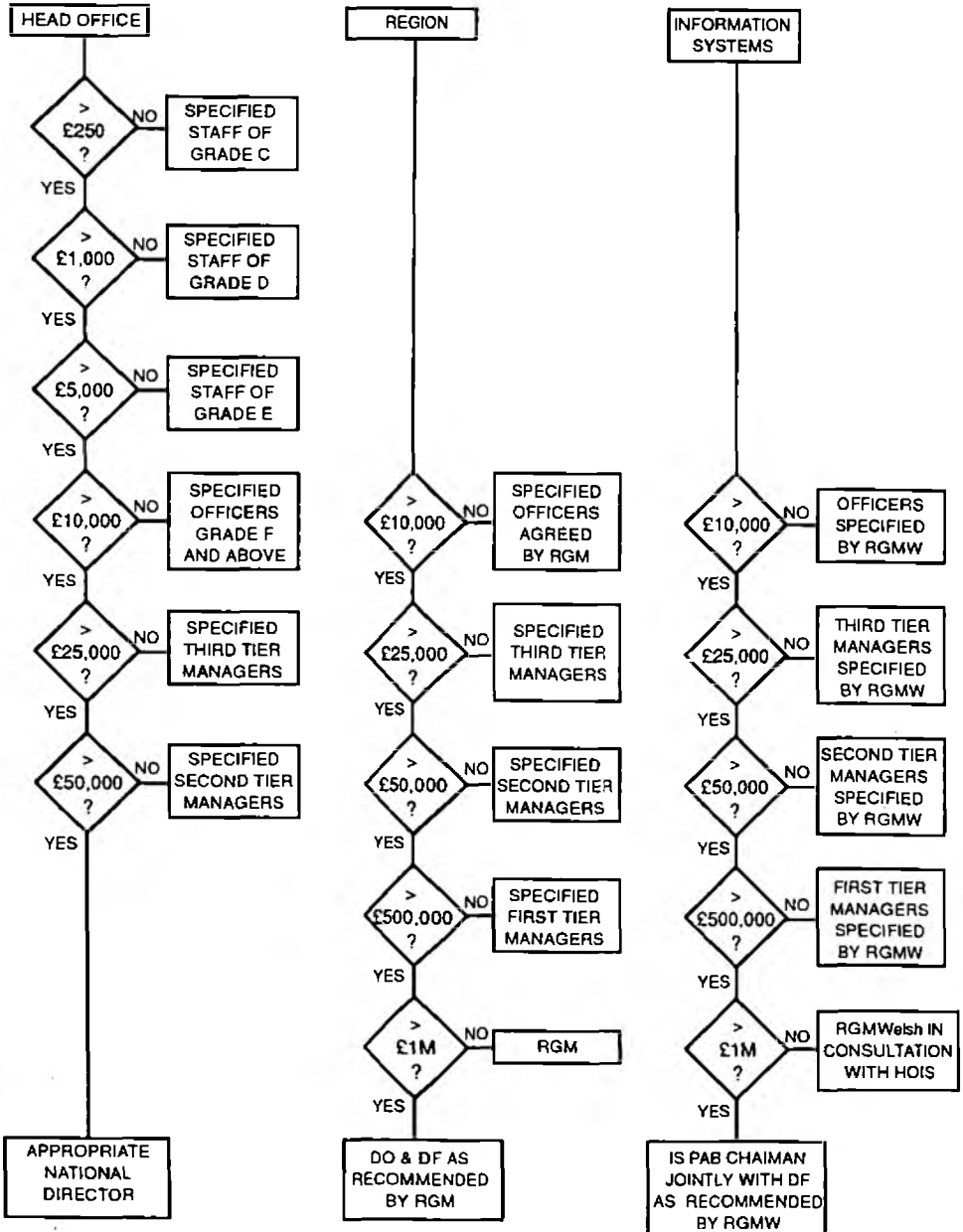
Therefore, project costs can remain effectively fluid until the contracts within the project are let.

The three routes for the authorisation or notification of Form Gs are illustrated opposite. Note that the right-hand limb of the flowchart applies only to projects, and that submission is direct to the Regional SoD Co-ordinator via the other two routes for non-project expenditure.

Note that NIS delegations apply to Information Systems supplementary expenditure, as set out within SoD Sections O5 and O6.

FIGURE 5 - INCUR EXPENDITURE

EXCLUDING EMERGENCIES (SEE SoD SECTION P)



6. INCUR EXPENDITURE

FGN3

This section, along with sections 7 and 8 of this guide, covers authorisation under the second tier of the SoD

To incur expenditure is defined as "to bind the NRA to another body in a contractual relationship", and includes signing contracts, making purchase orders, and authorising invoices for payment. For the purposes of authorising the incurrence of expenditure under the SoD, the Purchase Requisition is the prime document, which must be signed by an authorised officer. Where a Purchase Requisition has not been used, the Purchase Order becomes the prime document. Similarly, where a Purchase Order has not been used, the invoice is the prime document for the purpose of authorising incurrence of expenditure. The SoD only needs to be satisfied once for each purchase.

For the authorisation limits associated with incurring expenditure refer to SoD Sections C3, O2 and Q2. Please note that the limits referred to within these sections, as with all other limits within the SoD, exclude VAT. Separate limits apply for the following situations:

- Single tender action - see section 7:
- Preferred tender not the lowest - see section 8.

Nature of the SoD

FGN8

The nature of the SoD is such that, although at certain levels of authority specific individuals are named (such as the RGM), at most levels authority is awarded to "specified officers". The **Delegation Specification** states which individuals hold the various levels of authority. Each Regional Delegation Specification is authorised under Section Z of the SoD.

It should be noted that authorisation tiers under the SoD do not necessarily relate to organisational management tiers. The RGM, through the Regional Delegation Specification, nominates the staff that will hold authority at the various tiers of the SoD. For example, a third tier manager could be specified as a second tier officer for the purpose of the SoD.

The Delegation Specification can also be temporarily amended under Section Z, such that, when a project has been authorised via a Form A or PID, the Project Executive can be given increased authority to incur expenditure on the project.

Procedures within the Region governing this process are at the discretion of the RGM, who may, for example, choose to ask the PAB to consider whether individual Project Executives should be given greater authority when considering projects for recommendation.

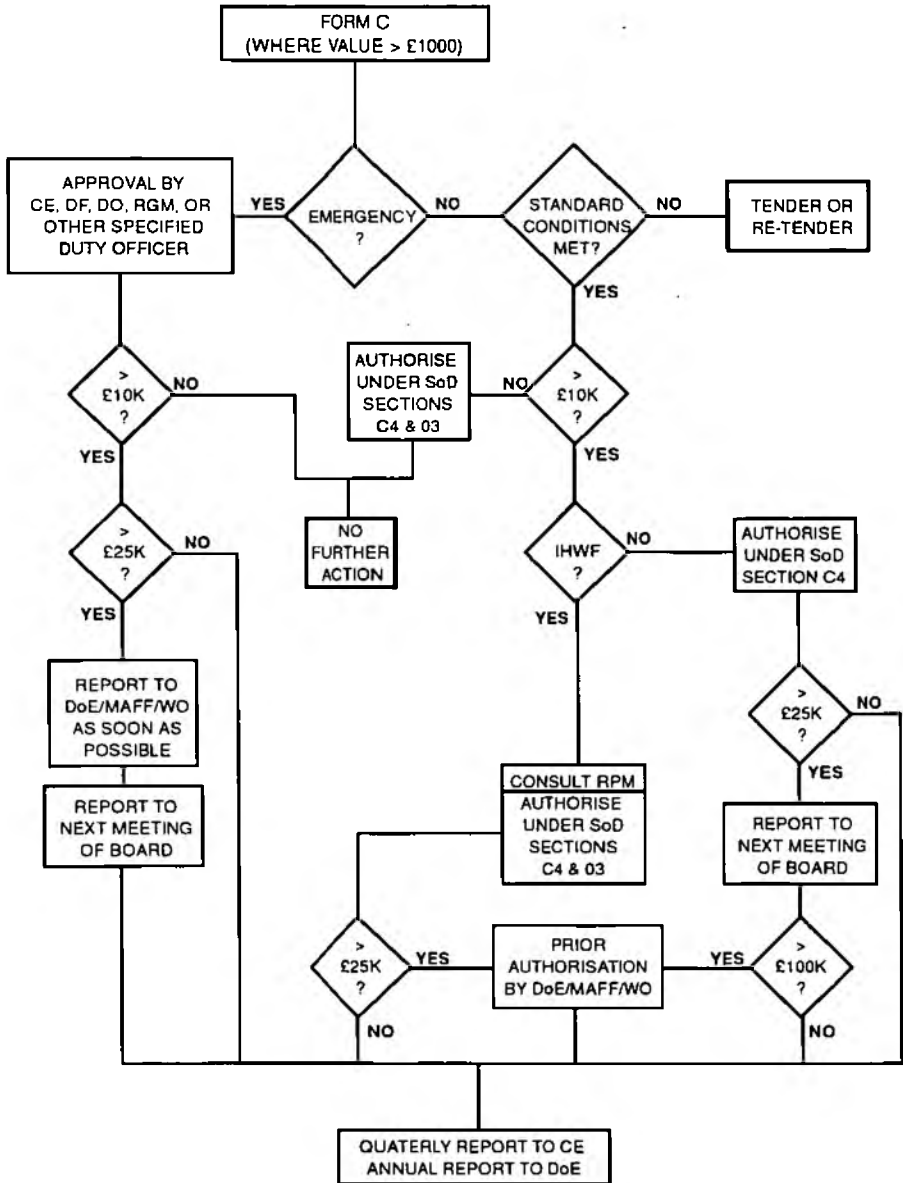
Incurring Information Systems Expenditure

FGN3.2

The incurrence of all Information Systems (IS) expenditure must be authorised according to the NIS delegations as set out in Section O2 of the SoD, as illustrated by the right-hand column of the flowchart opposite.

Section O2 applies equally to IS expenditure within non-IS projects.

FIGURE 6 - SINGLE TENDER ACTION (STA)



Reference to MAFF/WO is for non Grant-Aided Flood Defence expenditure
 Reference to MAFF/WO for Grant-Aided Flood Defence expenditure is subject to their grant conditions

7. SINGLE TENDER ACTION (STA)

FGN3.3

The term Single Tender Action is defined as the selection of a supplier without competition.

Single Tender Action should only occur in exceptional circumstances. In particular, assumptions that a particular supplier offers best value-for-money should be demonstrated through competitive tendering or quotation, and cannot be used as a justification for Single Tender Action. **The Regional/Head Office Procurement Manager must be consulted with regard to all proposed Single Tender Actions in excess of £10,000.**

Form C must be produced for all STAs, which must be authorised in accordance with SoD Section C4/O3.

The following are the **only** valid justifications for Single Tender Action:-

- Emergency Works
- Genuine Single Source
- In-house work force (subject to the constraints and provisions of the Financial Memorandum)

The following are **not** classified as Single Tender Actions:-

- Call-offs from National and Regional contracts
- Contributions to Collaborative projects
- A single valid tender arising as a result of competitive tendering, subject to approval by the Regional/Head Office Procurement Manager
- Where there is a legislative requirement to use a particular supplier (e.g. electricity, gas, statutory interruptions to services)
- Contract Extensions provided for in original tender document (note - if not provided for, then contract should be re-tendered)

A de minimis threshold of **£1000** applies under which single tender action is acceptable. This is a level under which it may be administratively ineffective to pursue competitive purchasing, although known repetitive requirements should be aggregated and competition demonstrated.

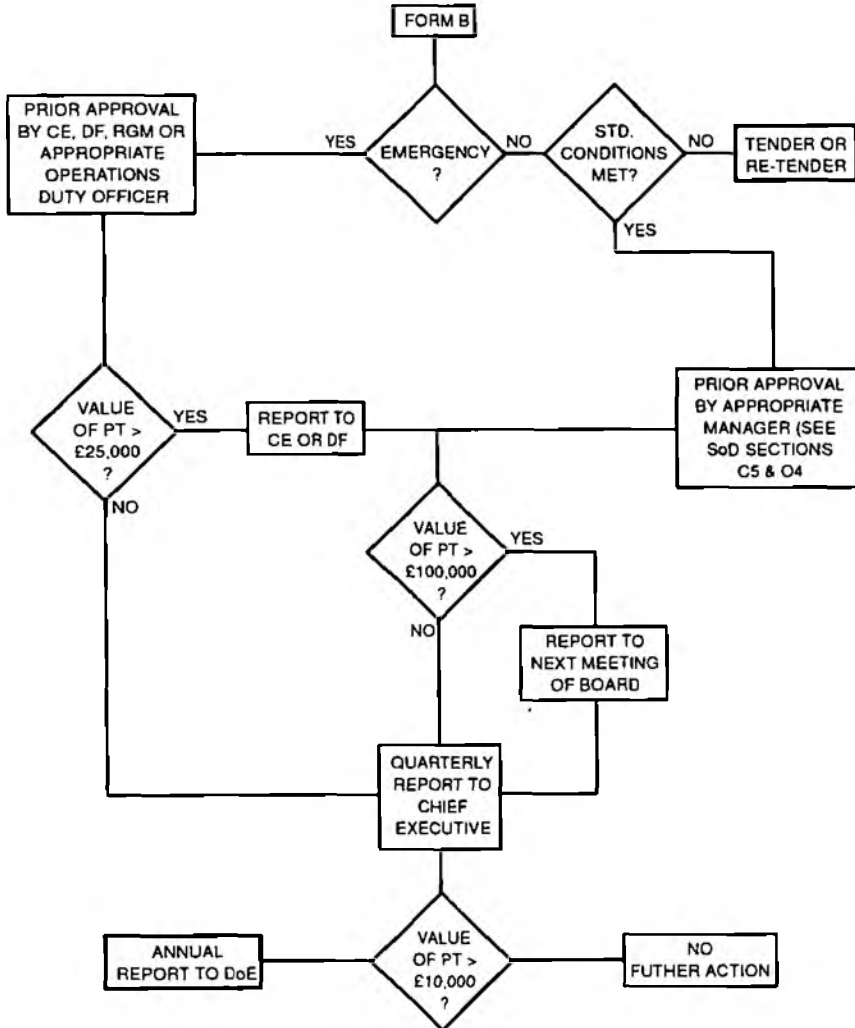
Section 3.3 of the Financial Guidance Note (FGN) provides further guidance in the area of STAs.

FIGURE 7 - PREFERRED TENDER NOT THE LOWEST

Note that a Form B should only be raised where the preferred tender does not represent the lowest whole-life cost after post-tender negotiation (if appropriate) and evaluation of tenders against an evaluation model prepared in advance.

Note also that the monetary difference between the lowest and preferred tender costs has no impact on the approval process

PT = Preferred Tender



8. PREFERRED TENDER NOT THE LOWEST

FGN3.4

The NRA is required (FM, paragraph 47) unless there are good reasons to the contrary, to let contracts by competitive tender and to accept the lowest valid tender. Where the preferred tender is not the lowest, then a much greater degree of control is to be applied.

Note that tenders received which fail to comply with the specification should not be treated as valid tenders for Preferred Tender Not the Lowest (PTNL) purposes.

It should also be noted that, for the purpose of ascertaining the lowest tender, the lowest whole-life cost rather than price should be used.

In some cases, the lowest tender, whilst strictly complying with the minimum requirements of the specification, can be clearly shown, through use of a tender evaluation model prepared in advance, to involve the NRA in additional costs which will be avoided by accepting a higher price tender. In such cases, PTNL approval is not required.

There is to be a strong presumption in favour of choosing the lowest tender in each case. Property pre-qualification of suppliers in accordance with Procurement Manual rules should reduce instances where the preferred tender does not offer the lowest cost. Cases where other than the lowest tender is chosen should therefore be exceptional, infrequent events.

Examples of these exceptional events could include:-

- Information received subsequent to the tender which changes the criteria which led to the supplier's positive vetting on financial and/or technical grounds.
- Specialist services (eg. Consultancies) where the requirement is difficult to specify and technical issues within the tender submission form part of the evaluation process. (eg. specialist expertise or knowledge), and where a tender evaluation model has either not been prepared in advance of opening tenders or has proved to be inadequate in identifying the lowest cost tender.

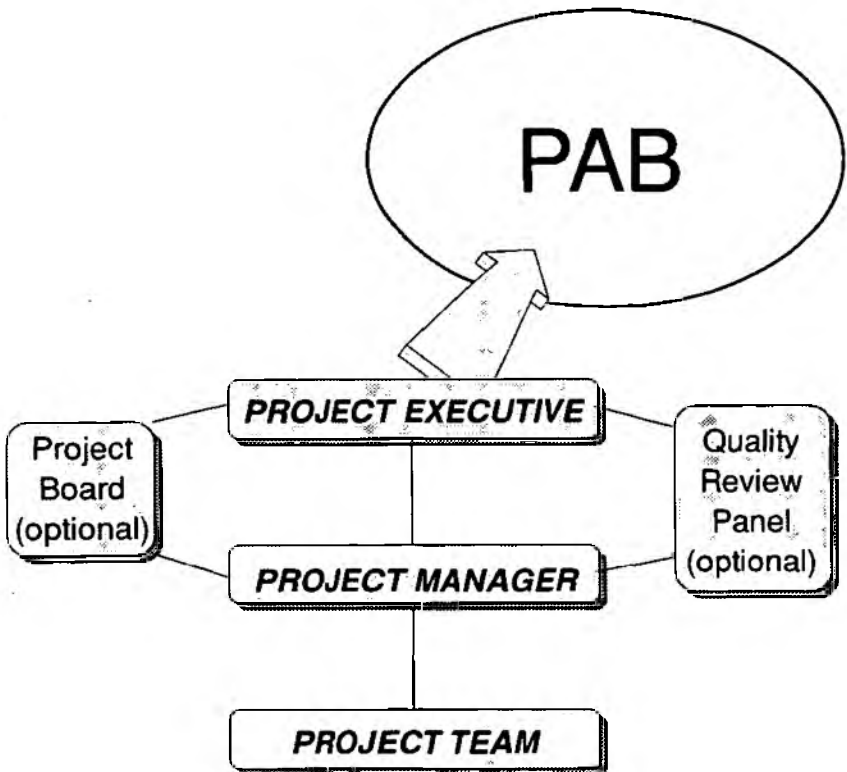
Where preferred tender is not the lowest prior to approval to accept it must be obtained in accordance with SoD Section C5/O4.

The Procurement Service

If sought early in the tendering process, the advice of the Regional Procurement Manager can assist with efficient and effective achievement of the following tasks;

- identification and pre-tender vetting of potential suppliers;
- writing of specifications and tender evaluation models;
- where required, justification of the use of single tender action or acceptance of other than the lowest cost tender; and
- the drafting and management of contracts.

FIGURE 8 - MANAGEMENT STRUCTURE OF PROJECTS



9. PROJECT MANAGEMENT - ROLES AND RESPONSIBILITIES *PM2*

The management and control structure for all projects is centred around three management bodies:

- the Project Assessment Board;
- the Project Executive;
- the Project Manager.

The PAB oversees all projects within a Region, Head Office or a National Service, whereas the Project Executive and the Project Manager have direct responsibility for a specific project. The relationship between these bodies and other groups referred to in this section is illustrated in the diagram opposite.

The Project Assessment Board

PM2.3 & AppD.4

The role of the Project Assessment Board (PAB) is to ensure that all projects are properly justified, prioritised and planned, and that appropriate management structures have been set up.

The PAB is responsible for appraising and monitoring all projects undertaken within a Region and at Head Office, and therefore acts as the agent of the Regional Management Team and Executive Group respectively. The membership of the PAB should be taken from various functions and therefore represent a strategic overview of projects to ensure the objectives of the Corporate, Regional or functional Plans are achieved.

There must be a separate PAB for each Region and at Head Office (at Head Office, the PAB will monitor National Projects), although a Region may decide that more than one PAB is required; for example, it may be appropriate for a geographic area to have its own PAB. Also National Services (such as National IS) will have their own PAB. Projects undertaken by National Centres will be the responsibility of the relevant Regional PAB.

The PAB must consist of between three and six managers, including a chairman who must be a senior manager (first or second tier). Members will be appointed by the Regional Management Team or National Directors.

In order to co-ordinate the use of available resources (resources not applied to operational activities), the PAB is required to authorise key planning documents for each project and review high-level financial monitoring reports in order to track the progress of projects.

The Project Executive

PMAppD.1

A Project Executive must be identified for every NRA project. The Project Executive has ultimate responsibility for delivery of the project. S/he must therefore appoint, supervise and control the Project Manager through whom the project will be undertaken, and provide the Project Manager with the advice and resources necessary to do so. Project Executive is a senior role; and would normally only be undertaken by an NRA Budget Holder.

The successful delivery of the project, or programme of projects, must be written into the Project Executive's personal objectives.

The Project Executive may choose to appoint a **Project Board** to provide advice and assistance to him/herself and the Project Manager, although Project Boards will normally only be appropriate for high risk and/or multifunctional projects. Where a Project Board is set up, it remains the "agent" of the Project Executive. The Project Executive cannot pass on accountability for the project.

The Project Manager

AppD.2

Every project must have a Project Manager who will report directly to the Project Executive. The Project Manager has day-to-day responsibility for the project, and is therefore the key individual in undertaking the activities necessary to complete the project.

Specifically, the Project Manager ensures the delivery of products to the users. S/he must be appropriately qualified to undertake the task of running the project, including directing and managing the **Project Team** and controlling external contracts required by the project.

The successful day-to-day management of the project, in particular the delivery of the product(s), must be written into the Project Manager's personal objectives. This will be of particular importance in creating effective line management of the Project Manager by the Project Executive where this does not already exist.

Before appointing the Project Manager, the Project Executive must ensure that the span of projects run by the Project Manager will remain reasonable, and that s/he has appropriate experience to undertake the task effectively.

The role of the QRP is discussed in section 10

Delegating the Roles of the PAB

PM2.3 & AppD.4

For small projects, the roles of the PAB may be delegated by the PAB to the relevant Project Executive, or to individual members of the PAB. For the Flood Defence function, delegation may extend to projects of between £100,000 and £500,000. Furthermore, certain powers may be delegated to individual PAB members to allow PAB decisions to be taken between PAB meetings where appropriate.

Note that where powers are delegated to Project Executives, the PAB must be advised of all authorisations, such that a complete list of "live" projects may be maintained and monitored.

10. RUNNING THE PROJECT

PMS

Once the required authorisations have been given to the project, the project may be undertaken. During this stage of the project, it is essential that the Project Executive and Project Manager establish effective levels of control over their project. The following key project management disciplines must be applied, discussed in turn below:

- **quality assurance:** ensuring that products meet planned criteria or specifications:
- **change control:** the documentation, justification, and, where appropriate, authorisation of significant changes to the Project Plan, see section 5:
- **contract control:** the proper monitoring and direction of contractors:
- **project files:** the maintenance of essential files documentation:
- **progress reporting:** the reporting of progress, where required by the PAB, Project Executive, Project Board or other interested parties.
- **financial monitoring:** the application of financial control and the submission of monthly returns to finance departments.

Quality Assurance

PMS.2

Quality assurance seeks to ensure that the completed products meet the required specifications set out in the Product Descriptions, by way of periodic **Quality Reviews** conducted by a **Quality Review Panel**.

The Quality Review Panel should represent the product users/clients, and should include persons with appropriate technical expertise. The nature and composition of the Quality Review Panel is decided by the Project Executive. For example, the role of the QRP may be undertaken by the Project Executive, Project Board, or another individual or group.

On conclusion of the Quality Review, the Project Manager must ensure that all agreed changes are recorded on the Project File and actioned. If significant changes are agreed by the QRP and Project Manager, change control procedures will apply.

The acceptance of each product once complete will be obtained by a **User Representative** nominated by the Project Executive on the Product Description(s) during the planning stage. The Project Executive may choose to perform the role personally, or invite a member of the QRP, or any other individual, to do so.

When reviewing the Form A/PID, the PAB will also consider the appropriateness of the Project Executive's decisions as to the QRP and User Representative for each product.

Contract Control Procedures

PMS.4

Projects often involve contracts between the NRA and its contractors, consultants or suppliers. It is the responsibility of the Project Manager to ensure that each contract meets

the conditions of the Procurement Manual and the SoD, and is performed in accordance with the terms and conditions. S/he must report by exception on contract progress to the Project Executive.

Contract control should not be restricted to control “points”, but should be effective throughout the contract lifetime. However, control points will be vital, and careful consideration of their timing is essential.

Project Files

PM5.5

The Project Manager must maintain files of important documents relating to the project.

The SoD Coversheet for the project should be kept at the top of the project file at all times, as this is a living document. For large projects, the SoD Coversheet will have been raised on submission of the PID. For small projects, a SoD Coversheet will be raised to accompany the first of any Form Gs.

Progress Reporting

PM5.6

The Project Manager must monitor progress at all times. However, the decision as to whether formal progress reports will be raised rests with the Project Executive. The main factors to consider will be the size and riskiness of the project and the range of parties that will take interest in the success of the project.

As a guideline, a progress report should contain a brief summary of highlights, changes and financial and physical progress for submission to the Project Executive and other appropriate individuals.

If progress reports are to be prepared, the frequency of reporting is at the discretion of the Project Executive.

Financial Monitoring

PM5.7 & AppK

All projects must be subject to tight financial control. For large projects, a monthly return must be submitted to the finance department or PAB Secretary, detailing;

- actual costs to date;
- forecasts for the current period, and;
- forecasts for the completed project.

Flood Defence projects between £100,000 and £500,000 are exempt from this requirement.

The financial details provided each month by Project Managers are used by the PAB to maintain an overview of the progress of large projects, and also to compile quarterly reports required by the NRA Board.

For small projects, the only formal requirements are the reporting of changes to total cost via Form Gs (see section 5) and the actual financial outturn on completion (see section 11).

11. PROJECT CLOSURE

PM6

The closure process aims to ensure that all products have been delivered to the satisfaction of users and, where necessary, have been effectively implemented. Closure is a three-stage process:

- Once each product has been delivered and implemented to the satisfaction of the users, the Project Manager should forward the Product Description to the User Representative to obtain confirmation of acceptance.
- The signing of the (final) product description will signify the **physical completion** of the project, and the Project Manager should forward the signed Product Description(s) to the PAB Secretary as notification of completion.
- When forwarding the signed Product Description(s) to the PAB, financial out-turn details for the project, along with a final copy of the SoD Coversheet, must be attached. For small projects for which no Form Gs have been required, a SoD Coversheet should be raised and submitted at this stage to evidence this.

Financial Completion will usually coincide with physical completion such that the final cost of the project, including explanations of overspend/underspend against the last authorised cost shown on the SoD Coversheet, can be provided. Where (potential) costs are outstanding on acceptance of the final product, details and best estimates of final figures must be provided. The final cost of the project must be forwarded to the PAB Secretary as soon as it is known.

Post-Project Appraisal ("PPA")

PMAppL

Once a project has been formally closed, it may be selected by the PAB for Post-Project Appraisal ("PPA").

PPA aims to obtain the maximum benefit from the lessons learned and experience gained from the project. PPA comprises an independent review of the following aspects of a project:

- its overall objectives and the quality of project planning;
- achievement of those objectives, including comparison of actual costs, benefits and timings against budget; and
- the extent of compliance with relevant procedures.

The report of the independent PPA team should be submitted, together with recommendations and conclusions, to the PAB for its approval, and should subsequently be forwarded to the relevant Head of Function at Head Office.

PPA should be applied to a minimum of two large projects per Region per year. Also, the PAB should annually select for PPA a 5% sample of small projects for which PAB roles have been delegated.

12. OTHER AVAILABLE GUIDANCE

Project Management

The Project Management manual provides guidance on the following areas that are not covered by this Summary Guide:

Risk Assessment	<i>Appendix H</i>
Compliance With NRA Environmental Policy	<i>Appendix I</i>
Costing NRA Staff Time	<i>Appendix J</i>

The Financial Memorandum and Scheme of Delegation

The Financial Guidance Note (PIGN volume 7) provides guidance on the following areas of the Financial Memorandum and Scheme of Delegation that are not covered by this Summary Guide:

Disposal of Assets	<i>FGN Section 4</i>
Gifts	<i>FGN Section 5</i>
Write-Off of Losses and Special Payments	<i>FGN Section 6</i>
Records and Reports to Head Office	<i>FGN Section 7</i>
Fraud Irregularity	<i>FGN Section 9</i>

FIGURE 9 - ACTIVITY FLOW DIAGRAM FOR SMALL PROJECTS

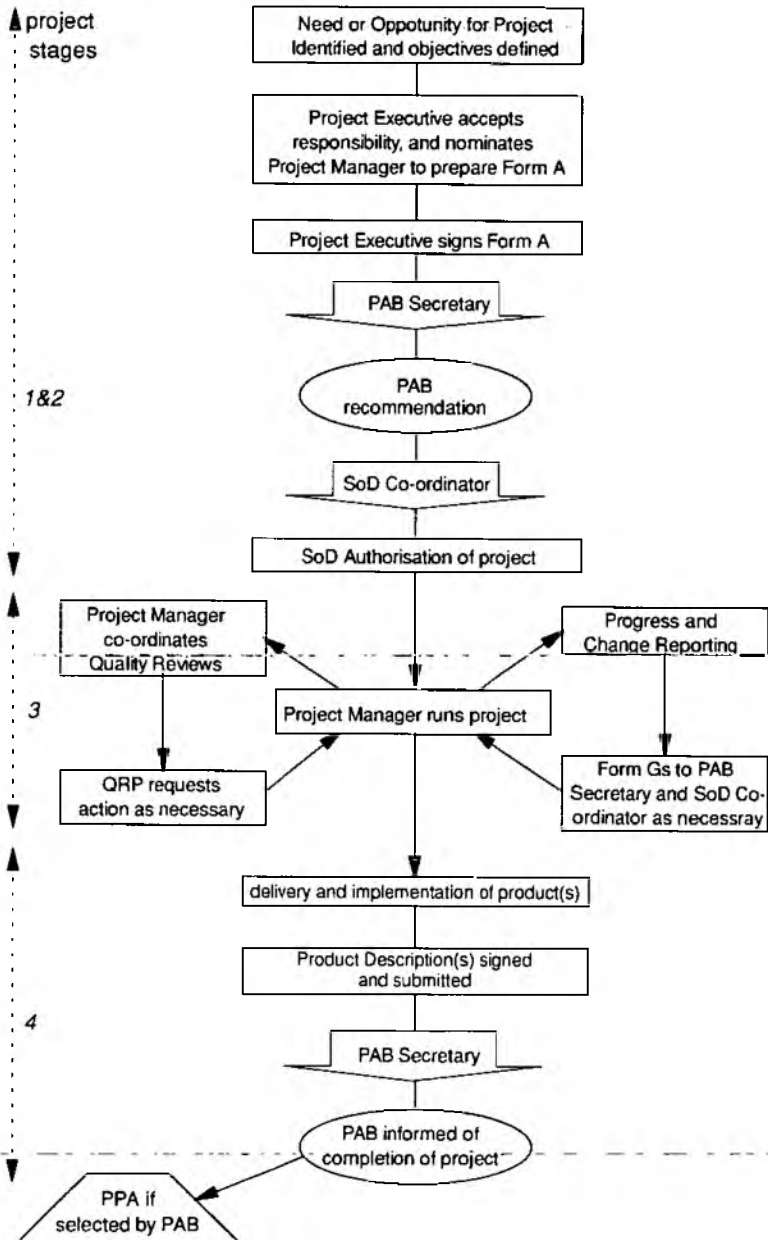
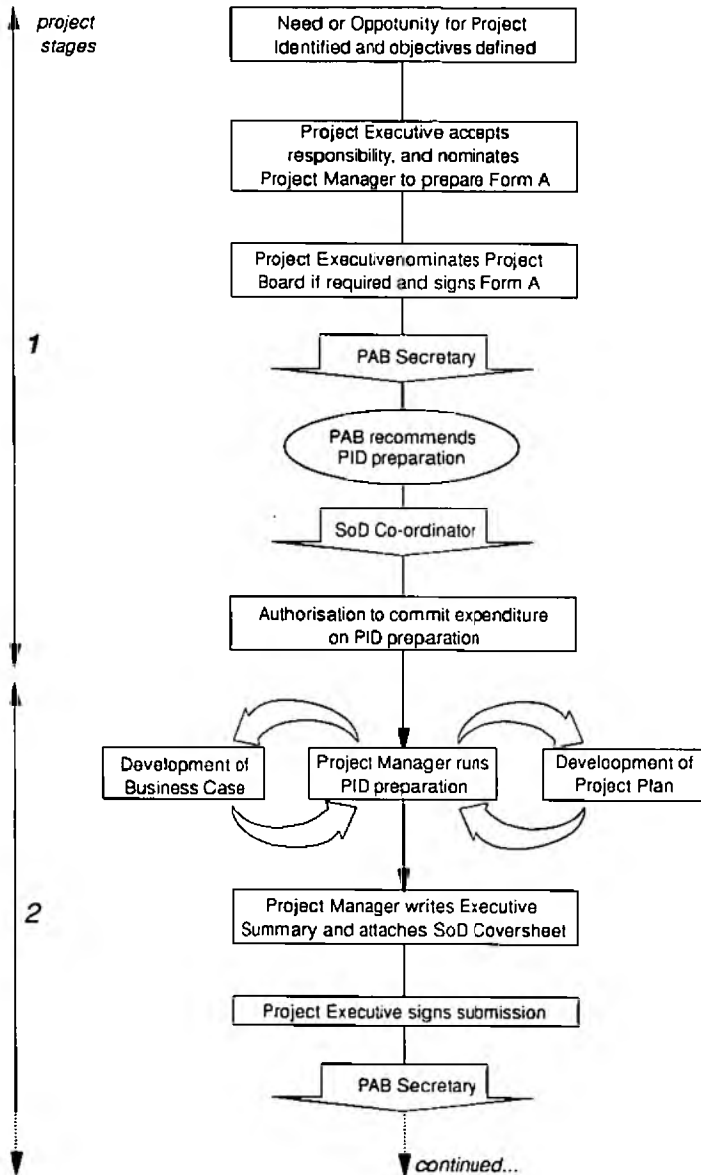


FIGURE 10 - ACTIVITY DIAGRAM FOR LARGE PROJECTS



project stages continued.....

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3

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