

## Public Accounts Committee Inquiry: Governance and decision-making on major projects

## **Evidence submitted by the Association for Project Management**

- 1. The Association for Project Management (APM) is the Chartered body for the project management profession with over 45,000 individual members, including around 4,000 Chartered members, and more than 470 corporate partners. We aim for a world in which all projects succeed because, when they do, society benefits.
- 2. This submission has been developed jointly by the APM Policy and Public Affairs team and the APM Governance Interest Network. APM's charitable object is to advance the science and understanding of project management, and this response is submitted to help with that object.
- 3. We were pleased that the Vice-Chair of APM's Governance Interest Network was able to support the original National Audit Office (NAO) report into governance and decision-making on major projects, through participation in a roundtable.
- 4. Good governance matters because there is a strong correlation between good governance and project success.<sup>1</sup> A failure to prepare the governance framework for a project at the start of that project, and the failure to select leaders with the right behaviours and skills to implement that framework will cause problems throughout the life of the project. It should be an integral part of set up.
- 5. To ensure this happens, we recommend the following approach to applying the guidance that is available:
  - Focus on APM's high-level, non-specific guidance and apply specific guidance from relevant bodies for that industry.
  - Embed after the event guidance e.g. lessons learned reports when setting up major projects.
  - Support the guidance above with data driven reporting and the application of technology to avoid strategic misrepresentation.
  - Focus on senior leadership behaviours to drive open and honest governance.
- 6. APM high-level non-specific guidance APM members and corporate partners use our Directing Change: A Guide to Governance of Project Management guide to ensure good governance of their projects.<sup>2</sup> In particular, it aims to:
  - Improve understanding of the board's role in applying effective sponsorship of change.
  - Improve understanding of the role of the project sponsor in governance of any change endeavour.
  - Develop and improve sponsor competence.
  - Explain why a sponsor needs to be accountable for project success.

<sup>&</sup>lt;sup>1</sup> Association for Project Management Blog, 2023. *Governance failures are as much about people as policies*. https://www.apm.org.uk/blog/governance-failures-are-as-much-about-people-as-policies/

<sup>&</sup>lt;sup>2</sup> Association for Project Management, 2018. *Directing Change: A Guide to Governance of Project Management,* 3rd edition. <a href="https://www.apm.org.uk/book-shop/directing-change-a-guide-to-governance-of-project-management-3rd-edition/">https://www.apm.org.uk/book-shop/directing-change-a-guide-to-governance-of-project-management-3rd-edition/</a>

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Further APM guidance of relevance here include the Governance of Co-Owned Projects<sup>3</sup>, which will be of relevance to cross-departmental projects, and Sponsoring Change<sup>4</sup>, which links in with point 10 below.

- 7. Specific guidance from relevant bodies the Government's own Project Routemap framework<sup>5</sup> remains an extremely important handbook. It includes a specific section on governance<sup>6</sup>, and we encourage scrutiny of how well Government departments are following it.
- 8. After the event guidance the Committee will undoubtedly develop recommendations from this inquiry, as it has done with many subsequent reports. The NAO will have done the same. We need to ensure that these recommendations are acted upon, and that future projects are scrutinised on whether they took account of those recommendations. Similarly, lessons learned exercises across Whitehall must be acted upon. Continuously failing on the same issues is simply not an option.
- 9. The Committee may wish to investigate the roles of project sponsorship, levels of complexity and the future use of AI (see points 10-12).
- 10. Project sponsorship is crucial to decision making and delivering the project successfully. They will impact on the level of independent insight to be applied and provide the right level of challenge and support to the project. As part of this, the Chief Sponsor must be wise and experienced. They must have the right behaviours, experience and skills to understand what is happening and not have the wool pulled over their eyes. Some are better at stakeholder influence, others technical influence. A high level of consideration is recommended when selecting the right project professional and the right sponsor at the right stage of the project. It is also to be considered if the Chief Sponsor changes dependent on the stage and status of the project.
- 11. The level of assessment of project complexity should also be considered and potentially given greater consideration than previously. Complexity can relate to the traditional systems complexity, but also the political and social complexity of the project. Dr David Hancock argued that the latter was almost always messy, which impacts on the ability to ensure good governance.<sup>7</sup> The political and social complexity of a project is important in deciding the type of leadership on a project and assessing the risk of change on the project due to shifting political priorities. Whereas the systems complexity drives a need for greater understanding of the capability required to deliver the project. Both drive the design of the governance framework applied.
- 12. Linked to the above, the future use of AI should also be considered. We have seen in points 10 and 11 how cognitive bias and the attitude of the project participants can impact on governance. Were AI to be in a position to give a data only view, free from personal views of human participants, we can achieve data driven and truly informed governance.

<sup>&</sup>lt;sup>3</sup> Association for Project Management, 2017. *Governance of Co-owned Projects*. https://www.apm.org.uk/book-shop/governance-of-co-owned-projects/

<sup>&</sup>lt;sup>4</sup> Association for Project Management, 2018. *Sponsoring Change: A Guide to the Governance Aspects of Project Sponsorship, 2nd edition.* https://www.apm.org.uk/book-shop/sponsoring-change-a-guide-to-the-governance-aspects-of-project-sponsorship-2nd-edition/

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<sup>5</sup> Infrastructure and Projects Authority, 2014-2022. *Project Routemap - Setting up projects for success*. https://www.gov.uk/government/publications/improving-infrastructure-delivery-project-initiation-routemap

<sup>&</sup>lt;sup>6</sup> Infrastructure and Projects Authority, 2021. *Project Routemap - Setting up projects for success: Governance UK Module*. https://assets.publishing.service.gov.uk/media/62971fff8fa8f5039927d160/Governance\_-\_FINAL.pdf

<sup>&</sup>lt;sup>7</sup> Hancock, D., 2010. *Tame, Messy and Wicked Risk Leadership.* 

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- 13. APM already advocates for good governance through the reports mentioned in this response. Good governance reduces the likelihood of, or propensity towards, strategic misrepresentation and as such it should be well planned as projects start to take shape.
- 14. APM welcomes the opportunity to share our members' expertise with the Committee.