

THE  
NATIONAL  
GALLERY

Project  
Management  
Risk Management  
Statement

## PROJECT MANAGEMENT June 2014

### Introduction

A project is defined as a unique set of co-ordinated activities, with definite starting and finishing points, undertaken by an individual or team to meet specific objectives within defined time, cost and performance parameters. A project should contribute to business objectives and have the following characteristics:

- A finite, defined lifespan
- Defined and measurable business products
- A corresponding set of activities to achieve the business products
- A defined amount of resources
- An organisation structure, with defined responsibilities, to manage the project.

The major Gallery projects are often, but not exclusively, building works, exhibitions and the introduction of information systems and processes. This Risk Management Statement addresses only those substantial projects where the costs exceed £250,000.

This Statement is not intended to replace procedures already in place, for example, for buildings and exhibitions projects, but aims to set generic broad standards Gallery-wide.

### Risks

The main risks of inadequate project management are:

- Lack of clearly defined and agreed justification of projects, leading to inappropriate deliverables
- Poorly scoped project briefs resulting in lack of project direction
- Inadequate reporting, progress monitoring and budget control with the likelihood of project overrun and overspend
- A failure to adequately scope accountability resulting in disputes over responsibilities.

### Mitigation procedures

1. **Approval** - Major projects must be approved by the Executive Committee and by one of the following:
  - Trustee Board (normally through the Corporate Plan process – e.g. for exhibitions).
  - Finance Committee (where projects arise during the year, or Finance related projects).
  - Trustee Committee, where set up for the purposes of the project. This is recommended for major projects where outside skills would be useful and/or there is substantial private funding.

As a minimum the submission must include the name of project, purpose of project, costs, funding details, name of Project Manager, risks associated with the project, brief statements on Gallery objectives addressed, alternative approaches, specific benefits (financial and non-financial), principal stakeholders, commitments to third parties, time critical target dates and the completion target.

2. **Funding** - the funding must be discussed with Development and Finance before any commitments are entered into.
3. **Project Structure**
  - **Project Manager** – each project must have a Project Manager who is a member of staff. Although day-to-day project management can occasionally be contracted out, there must be an individual Gallery member of staff who is responsible for the management of the project, including the budgets and

liaising with Development on Funding. It is vital that this individual has sufficient time to manage the project

- **Project Executive** – the person to whom the project manager reports. This is the Senior Responsible Officer and project champion who could be the head of a specific department or the Chair of a Committee or Steering Group set up for the project. For particularly significant or unusual projects the use of a Steering Group is recommended.
  - **Project Client** – each project should also have a project client who is a member of staff with responsibility for defining the project aims and ensuring the project direction is consistent with these aims. The project client will not usually be a specialist in project delivery rather a representative for the Gallery or the project's intended audience.
4. **Project plan** – setting objectives, budget and timetable. The Project Manager must set the plan out at the beginning of the project and agree it with the Project Executive. Finance can assist on the preparation of the budget, and should in particular be consulted on any forecasts for income generated/efficiency savings from the project. Budgets should generally identify third party costs, additional staff costs specifically incurred for the project, **and** internal staff costs.
  5. **Procurement** – Finance (procurement unit) should be consulted on process, particularly to ensure tendering/EU procedures are complied with. All normal procurement rules will apply, though additionally, a summary of tender submissions should be provided to the Project Executive for approval. Government transparency obligations apply to any Gallery operations and Finance should be consulted on all contracts.
  6. **Project monitoring** – the Project Manager should agree the monitoring process with the Project Executive. Normally this would involve regular (say, fortnightly or monthly) meetings with the Executive, and a standard agenda including timetable, any variations in scope, and cost vs. budget. The Project Executive will also confirm with the relevant Director whether project progress will be reviewed by Executive Committee and how often. The Project Manager is responsible for compiling and submitting this report to the agreed format.
  7. **Risk Management** – best practice underlines the need for the active management of risk throughout the life of the project, with particular attention to overrunning time and cost and/or failing to deliver a successful outcome. A risk register must be compiled, and reviewed and updated continually throughout the life of the project.
  8. **Budget monitoring** – though prime responsibility for budget monitoring falls to the Project Manager and Project Executive, Finance should be kept informed on a regular basis of the financial progress of the project. The Finance department should keep a record of all current projects, with a note on progress. Any overspend must have prior approval from the Director of Finance and Operations.
  9. **Project completion** – the Project Manager must prepare a brief report on the project (objectives achieved, cost vs. budget, timing vs. original programme) as well as lessons learned.
  10. **Post-project monitoring** – for many projects, especially those relating to information systems or changes to business processes, completion (or implementation) is only the beginning. It should be clear who is responsible for any new procedures put in place during the project and/or monitoring the impact of the project. Ideally an evaluation of the project would take place some time after completion.