

**PROFESSIONAL**



## **APM Project Professional Qualification**

### **Example paper**

Scenario and questions based on Governance module

**Question 1** – This question has two parts. Answer both parts.

### Question 1a

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**Topic area** Governance arrangements

**Question** Sarah has asked you to do a presentation to all heads of department on the importance of effective project governance to help align project management practice within the council to organisational objectives, and to explain how your change initiative should be implemented.

**With reference to the Review of Project Management Practice undertaken within the council, outline the things that you would include in the presentation explaining why you think they are important.**

**Marks** 15 marks

### Question 1b

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**Topic area** Governance arrangements

**Question** The presentation to the heads of department was very well received. However there was a concern raised that if any new methods of working on projects are not policed, they would be ignored and existing practices would return. This is not something you are surprised about, but you now have the go ahead to develop and implement a project management governance approach within the Regeneration and Economic Development department which will be extended across all of the council's departments if successful.

**What do you need to have ready for the launch of the new governance approach to ensure that new processes and practices will be utilised, and why?**

**Marks** 10 marks

**Question 2** – This question has two parts. Answer both parts.

### Question 2a

**Topic area** Reviews

**Question** Bateshead is home to a prestigious entertainment venue that boasts two performance halls and is home to the region's symphony orchestra. It is the hub of musical activity in the region, being home to a music degree awarded by the local university as well as a vast array of music and performance activities. The venue is funded through a complex mix of private and public sector finance and the management committee comprises individuals from all of the organisations that utilise the venue.

A major venue refurbishment programme is underway funded largely by a successful lottery funding bid. The Technical Services section of the Regeneration and Economic Development department of the council is working with a private sector contractor to deliver the project over an 18-month contract period. This project commenced before the Review of Project Management Practice and is being undertaken using existing methodology and processes.

A story in the local newspaper has claimed that the project is behind schedule and over budget after only 5 months with no remedial action. Councillor Ian Savage is becoming very public in his criticism of the way in which the council manages projects, in particular how it reviews projects and formally reports on their progress.

**Sarah has to address a cabinet meeting in one week and has asked for your thoughts on the situation. How will you advise Sarah to prepare for this meeting?**

**Marks** 15 marks

### Question 2b

**Topic area** Stakeholder and communications management

**Question** Due to the inevitability of changes within infrastructure projects and the potential for political point scoring by vested interests, Sarah has decided that it will be a positive statement to all interested parties if the council was totally transparent regarding project progress and status.

**In line with Sarah's expectations, identify the key stakeholders in the scenario and explain why and how you should engage with them.**

**Marks** 10 marks

**Question 3** – This question has two parts. Answer both parts.

### Question 3a

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**Topic area** Business case

**Question** Sarah wants you to run a series of workshops for council staff that focus upon preparing better business case submissions. She has highlighted the fact that the work you are now doing is essentially a business transformation project, but that a formal business case has not been properly formulated. She suggests that you undertake this worked example to help others understand the importance of a business case, and get the workshop participants to help you put this together as part of their learning.

**Using examples taken from the scenario, highlight key areas that you would want the workshop attendees to focus upon when considering the preparation and use of business cases.**

**Marks** 15 marks

### Question 3b

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**Topic area** Business case

**Question** Given that there will be multiple interests affecting the consideration and approval of business cases for projects in the Accelerated Development Zone (ADZ), explain how this approval process should be managed so as to avoid some of the problems alluded to in the scenario.

**Marks** 10 marks

**Question 4** – This question has two parts. Answer both parts.

### Question 4a

**Topic area** Reviews

**Question** The venue refurbishment project was ultimately finished on time and only 2% over budget, an overspend that was contained within tolerance. However, there was some evidence that the refurbishment of the entertainment venue was not universally liked by stakeholders thereby potentially affecting the future use of the venue. Sarah and the head of the Regeneration and Economic Development department have met with senior representatives from the design consultants and constructors on a few occasions, and a willingness to work collaboratively has emerged as all parties understand the consequences of not delivering successful projects.

**Sarah feels there could be some important lessons to be learned from the delivery of this project and has asked you to investigate. What review processes would you recommend to Sarah, and why?**

**Marks** 10 marks

### Question 4b

**Topic area** Change control

**Question** The establishment of the ADZ has led to a need for various departments within the council to work more closely together in the future and also to work in collaborative and multi-project relationships with external organisations to deliver projects.

The government have agreed to release supplementary funding for infrastructure works comprising roads, drainage and utilities provision. However commencement on site by a given date is a condition of the funding, therefore within very tight timescales it is highly unlikely that all of the required design information will be ready at project inception. This means some contracts for projects will need to be awarded accepting that changes will occur.

**If these projects are going to be successfully delivered, changes need to be effectively controlled and managed. What processes will you put in place to ensure that this happens and why?**

**Marks** 15 marks

**\*\*END OF QUESTIONS\*\***

**Scenario** – Copy of scenario as previously provided

## Your role

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You have recently been appointed by the chief executive of Bateshead City Council to drive forward improvements in project management. You have been given the job title of 'Projects Improvement Manager', but there is still some discussion internal to the council about what your remit is and the resources that you will have influence over. Your appointment is the consequence of a recommendation from an external consultancy report that concluded that the council needed to have better project governance and improve delivery of its projects and programmes, and for the time being you report directly to the chief executive.

## Overview

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Bateshead City Council is struggling with maintaining the delivery of key services in a climate of public sector cuts. For reasons of cost reduction, significant numbers of experienced council staff have lost their jobs or have accepted early retirement. The job losses and general poor performance of the council have attracted significant criticism in the local media, which has fed an ongoing negative narrative of public sector inefficiency. The job losses have also led to skills gaps when workload levels rise, and at such times agency staff have been used, even though they cost around 30% more.

After a poor report on the council's performance following a government audit, the previous chief executive left his post quoting ill health and stress as the reasons. The new chief executive, Sarah Cairney, recognised the size of the challenges and quickly implemented a review of service provision to identify improvement measures. She introduced a new mantra 'More with Less!' meaning that the council will have to achieve more using fewer resources.

Sarah led a council team, in conjunction with the Local Enterprise Partnership, to negotiate with government about an economic regeneration strategy. The outcome of the successful negotiation will be the creation of an Accelerated Development Zone (ADZ). This ADZ will benefit from new financial powers so that for a period of 25 years all growth in the business rate income from four key development sites could be ring fenced by government and retained by the council. It could lead to a £92 million local investment programme, creating 600 construction jobs, 1,500 permanent jobs over five years, and 13,000 permanent jobs over 25 years.

The ring-fenced financing arrangement will be subject to a review by government after 5 years. Sarah does have a concern about this, fearing that negative attitudes and low morale within the council could jeopardise successful delivery of the 5-year targets. One of the areas that Sarah thinks will be key to the success of the ADZ is project management. Given the project opportunities that should present themselves, the head of the Regeneration and Economic Development department has formally agreed to rapidly adopt new processes in her department so that it can be more ready to effectively bid for, manage and deliver projects.

The securing of the ADZ in the city has been a much needed piece of good news but there has been considerable political manoeuvring since its announcement, orchestrated primarily by the leader of the opposition, councillor Ian Savage. Sarah feels that the support of her senior council officers will be vital in the ongoing dialogue that will take place with elected members, who will no doubt use the various media outlets to help establish their particular political positions.

## Vision and deliverables

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Sarah's vision for your role is to realise the potential for efficiencies by bringing about a better understanding within the council of the dependencies and inter-relationships between total project spending, status and resource use across all projects at any one time. Her key approach to achieving this vision will be to emphasise the importance of consistent delivery mechanisms by introducing a tried and tested project methodology. She has promised to a number of key stakeholders, including elected members, that revised project management processes will be in place across all council departments within six months, with the target of increasing project success (defined by Sarah as those projects delivered on time, within budget and meeting quality expectations) to over 65% within 12 months of implementation. Delivering on this is now your responsibility, and you effectively have a change initiative to improve how projects are managed within the council.

## Review of project management practice

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Prior to your appointment, Sarah drafted in Jim Sullivan as an independent consultant to undertake an immediate review of current project delivery across all departments. Jim's initial findings are provided in a consultancy report, some of which are described below:

### **Project management structure**

There are a number of people in the organisation that are undertaking project management activities, and some would describe themselves as project managers. However, most people that are managing projects are in functional roles or have administrative activities as their main job but have been given additional responsibility for aspects of project delivery. Qualification levels and specific experience in project management are not consistently monitored by the HR Department, as this has been left to the heads of department to manage as they feel appropriate. There is no central coordination of project activities, and across the 10 departments there does not seem to be anybody that has specific oversight of all council projects. On the directorate, only the director of finance has accurate data on project delivery such as project spend and budget allocations as part of financial control processes, but there has been occasional difficulty in identifying what is spent on projects and what is spent in business as usual (although spend can be traced back to specific departments). None of the elected councillors holding cabinet responsibilities has any real understanding of project management processes. There are three councillors in opposition that have experience of managing projects, one of whom is councillor Ian Savage.

## Review of project management practice cont.

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### **Project management effectiveness**

The current indicator of project success is only 35% of time, cost and quality measures. Due to significant reductions in staffing levels over the previous three years, inexperienced personnel were given project management responsibilities. They are struggling to cope, and many staff are very defensive. They justify their record by pointing to a recent public-sector efficiency report which highlighted similar deficiencies in public-sector project delivery across the country. Their argument is that they are no worse than anywhere else, and that council management need to understand the financial constraints.

### **Project management maturity**

Jim was able to convince Sarah to release funds that would enable him to undertake a project management maturity assessment across all of the council's departments. His justification was the disappointing result from an independent maturity assessment into project management focusing on the Neighbourhood Services Department three years earlier. Jim's maturity assessment across all departments drew on a sample of 56 people, including all heads of departments and a selection of individuals who deliver projects. The interview consisted of questions covering generic project management processes with some questions focused on four specific areas: management structure, financial management, benefits management and stakeholder management. The interview also provided an opportunity for people to identify strengths in current project approaches to enable good practice to be built on as the council moves forward. It was clear in Jim's report that none of the four areas had moved beyond the basic awareness stage in terms of project management, and that there is still a lot of work to be done in enhancing project management capability and maturity. There were some areas of good practice highlighted, but these may have been due to the nature of specific projects. Stakeholder management was usually good in consultation projects, and structured governance models were used for high-profile projects that regularly reported to the council.

### **Project management methodology.**

Jim learnt that approximately 10 years ago the council implemented a set of project management processes based on a slimmed down version of an established methodology. It produced this approach with significant supporting training, end-user consultation, and an abundance of forms and documentation. However, over time the consistent use of these processes has dwindled. Some departments have continued to use them, but modified them significantly across different service areas. In many areas staff have resorted to 'doing their own thing'. Some departments, e.g. Regeneration and Economic Development, remain convinced of the benefits of project management processes whereas others, e.g. Children's Services and Education, are much less so.

Sarah has warned you that there will be strong resistance to the reintroduction of a consistent method for delivering projects. Morale in the council is low and it will be a challenge to win over the entire community of council employees and their various unions if it involves changes to their working practices, but those involved in managing projects constitute a much smaller community.



## Review of project management practice cont.

### Business case

Sarah highlighted to Jim that one of the reasons that the council has a poor success rate in securing grant funding is the poor treatment of the business case in making proposals. On investigation, Jim concluded that this was due to the poor use of a business case in making these proposals for funding. Benefits are not being clearly articulated in bid documentation, and the lack of clarity over benefits makes it difficult to establish project success criteria. Winning central funding will be crucial in delivering the 5-year targets for the ADZ, so the use of business cases has to improve. Jim concluded in his report that, as well as clarifying benefits and success criteria, all bid submissions should provide more evidence on how they will provide value for money. In practice this means that all submissions should:

- Establish a clear need for intervention – a case for change
- Set clear objectives – what we want to achieve from our investments
- Consider a wide range of potential solutions – select the option which meets the objectives with the optimal balance of benefits, cost and risk
- Put arrangements in place to successfully deliver the proposal.

And to realise these intentions, thought will need to be given to:

- Strategic alignment with the council's overall objectives
- Optimisation of value for money
- Market conditions and the potential for innovative/collaborative procurement arrangements
- Including financial feasibility
- Strategies for the management of project delivery.

### Use of internal resources

Jim found that the council had not been making appropriate use of internal resources to provide low-cost solutions. Council officers highlighted to him several occasions when internally managed council resources, e.g. highways and parks, could have been used on projects to reduce costs, but the work was awarded to private companies. These companies in turn resisted working in collaborative ways, and kept their relationships with the council very contractual. In addition, Jim learnt that in the past there were instances where more flexible working arrangements between council departments could have led to a more efficient use of resources, but the opportunities were not taken and the work was outsourced at premium rates. Internal resources were not reallocated due to poor coordination and communication between the different departments. Joint initiatives between departments are unknown.

## Review of project management practice cont.

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### **Procurement and contract management**

In approximately 70% of the council's projects where bureaucratic documentation was required for a competitive tendering process, which government hoped would introduce greater competition for work, bids from only 1 or 2 private suppliers have been received. After the award of contracts approximately 80% of projects have run 20% or more over budget and/or time. Only 5% of projects in the last five years have been completed on time and within budget. In addition to this, there has been criticism of the way in which projects are selected in the first place leading to arguably 'pet projects' that are just delivered to keep politicians happy.

Jim noted that the embedding of collaborative methods of working into procurement practice has not been attempted, as inexperienced staff do not have the knowledge to implement processes that vary from what has always been done, namely going for cheapest price tendering. The handling of the contracts, particularly the way in which finance and quality are monitored and managed, has resulted in worryingly unpleasant rumours regarding the conduct of two senior council officers. This is something that Sarah is particularly worried about given the political implications and wider scrutiny of council activities, and wants you to ensure that all project delivery processes involve an appropriate level of transparency.

**Notes**

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SAMPLE

**\*\*END OF EXAMINATION BOOKLET\*\***

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