

The age of opportunity

To successfully deliver its infrastructure book of work, UK plc must adopt a structured approach to the scoping and prioritisation of projects, explains **PAUL TAYLOR**

The UK has ambitious goals. It wants to make its economy more

successful (through increased GDP), more effective (with improved standards) and more efficient (with increased productivity).

The strategy is to make infrastructure the catalyst that will help the country improve in the decades ahead. This will mean a huge amount of economic and social infrastructure investment.

To successfully deploy this level of investment, programme management covering both strategy and delivery is the single most important enabler. We hear terms such as 'northern powerhouse', 'Midlands engine' or 'transport for a world city'. There is a buzz of excitement in the air around everyone involved in infrastructure. But, before we get ahead of ourselves, we need a reality check. The UK will need far smarter and more targeted thinking both in the strategic planning of the investment in these large infrastructure programmes, and in their capital delivery.

In the initial programme management stages, it is important to focus on a structured approach to:

- 1 objectives, benefits and outcomes,
- 2 scope management, and
- 3 prioritisation.

The term 'programme management' is normally only used in the context of delivery. The purpose of the three elements above is to give sound foundations before any capital investment and delivery commences. If a programmatically structured approach to the above is not followed, the infrastructure in most cases will still happen, but the chances of it being late or over budget, or not achieving the required objectives, are vastly increased.

FUTURE PLANNING

The UK will need time to remobilise for this infrastructure push. Although the vast sums of expenditure will occur post-2020, programmes will start in this decade.

As well as current 'shovel ready' infrastructure to be delivered pre-2020, there is a huge pipeline of post-2020 infrastructure that will need planning and, importantly, financing, with the business benefits clearly identified. The production of robust business cases will be critical, as organisations will need the support of banks and other financial institutions.

There will also be a need for sufficient people, equipment and material resources. Programme management will focus on this in the early stages. Clearly defined objectives, provided by a minimum scope and prioritised to gain the benefits as early as possible, will be crucial to ensure necessary resourcing.

SYMBIOTIC GROUPING

In the past, large-scale programmes in the UK have usually been carried out in the regulated sectors, such as rail, water, energy transmission, nuclear and telecoms. These were either to support EU directives or maintain existing services.

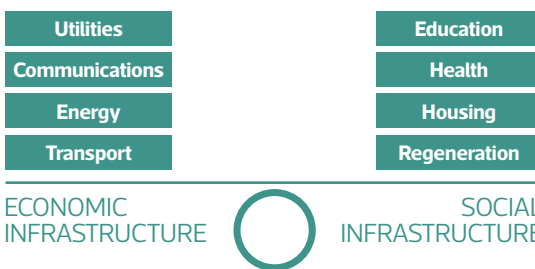
However, there has been a change in emphasis. Infrastructure projects are providing a catalyst for growth; this means programmes are far more interconnected than they were previously.

It is not simply about increasing capacity on the rail network and reducing journey times. It is now about developing transport to help reshape the UK for future generations. This means that the social infrastructure requirement that is linked to economic need has to be developed.

It is easy to think that this investment is all about transport infrastructure – moving people and goods faster, thereby increasing productivity. In reality, that is only part of the equation.

THE ECONOMIC AND SOCIAL RELATIONSHIP

Infrastructure breaks down into two specific groups. In most cases, they interconnect and are essential to each other's business case



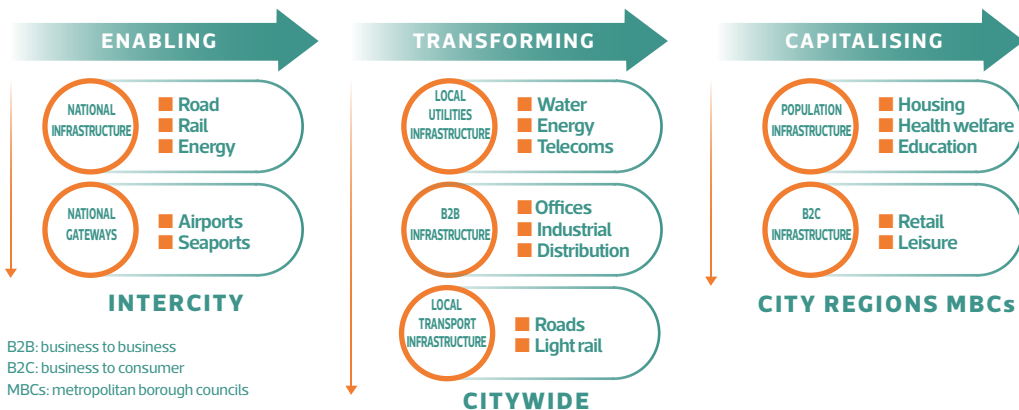
THE INDIVIDUAL PROGRAMME OBJECTIVES AND THE WIDER CONTEXT

As funding will be key, financial institutions need to understand the overall objectives on completion of each infrastructure programme. They have to be clear on what benefits infrastructure programmes should deliver, and be aware that, in many cases, the benefits and objectives occur sometime after all the capital works are complete. This will often be viewed above the specific programme at a wider portfolio level, as the objectives will have direct relationships with other programmes. Individual programmes and the projects within them shouldn't be viewed in isolation.

The interfaces with other key stakeholder programmes will need to be clearly understood, and the associated risks mitigated. With this level of interrelated investment, it is expected that

THE WIDER CONCEPT OF INFRASTRUCTURE PROGRAMME OBJECTIVES

This graphic shows how the wider concept of infrastructure programme objectives is first to enable the area to support inward investment by improving the infrastructure to move goods and services. This stimulates transformation by attracting B2B companies to invest in offices and factories. Then schools and hospitals are built to support population movement, which, in turn, attracts B2C companies



there will be far more collaborative working than occurs at present, within both a host programme and other associated infrastructure programmes.

DEFINING BENEFITS MANAGEMENT

With regard to benefits management, scoping or prioritisation, individual sectors have been allowed to develop their own ideas and techniques. While best-practice documentation is widely available, its adoption and uptake is relatively low. In many cases, best-practice documentation is at a high level, and professional bodies have a role in assisting sectors in developing and aligning techniques to reach an overarching consistency and quality.

Benefits management has to be used throughout each individual programme life cycle; the methodology should be specifically tailored for the programme down to individual projects. Realisation is then continuously tracked through the life cycle of the project and programme. If the benefits deteriorate, the specific project or programme's overall business case becomes threatened and rectification processes are required. Again, due to wider interrelationships with other programmes, the impacts are amplified.

PROGRAMME SCOPE AND PRIORITISATION

As infrastructure outcome requirements are defined, the capital scope needed to achieve those outcomes has to be challenged. The need for infrastructure has to balance with value for money and return on investment (ROI) for the multiple stakeholders.

Effective front-end scope management and categorisation techniques such as MoSCoW¹ are well defined and documented, but, as of yet, not used effectively in infrastructure programmes. Their primary role is to confirm the minimum scope requirements that are needed to deliver the objectives of the capital programmes.

The best-in-class business processes that are available in this field should be adopted to minimise scope requirements while still providing the necessary outcomes of the programme. This will usually result in lower expenditure and maximising ROI.

Scope prioritisation and categorisation also has other benefits with regard to delivery timescales. By applying effective scope management, in most cases, the reduction in scope requirements also results in a reduction in deployment times by altering the focus on the most important items to maximise benefits and outcomes.

All scope requirements are important. However, if the projects that form the programme's scope are prioritised to deliver the greatest and most immediate business benefits as early as possible, it significantly improves the overall perception of the programme. This, in turn, accelerates value and ROI for stakeholders.

One way organisations prioritise the projects in a programme is by developing a standard, structured approach using ranking criteria for each of the key benefits of the overall programme, and then measuring each project against those benefits.

Understanding which projects are needed first can maximise the ROI for shareholders, help customer satisfaction and maintain engagement in the delivery programme. It is important to see tangible improvements over the programme's life, and not just at the end. By prioritising correctly, these objectives can be time phased, allowing a continuous management of expectations on top of improving overall business performance. As part of the ranking criteria, strategic delivery risks have to be accounted for. This reduces optimism bias and brings an increased realism to the priority process.

BE PATIENT

There is a need to release work at a controlled rate, which can encourage a balanced per annum sustainable growth in the supply chain, but with checks and balances to prevent the sector overheating with increasing rates on labour equipment and materials. There will also be a strict requirement to control expenditure and ensure value for money, with outcomes and objectives, not outputs, being the order of the day.

Only after the capital programme has been effectively shaped is it time to move to the programme management acquisition and delivery cycle that people are familiar with. 

¹ An acronym derived from 'must have, should have, could have and won't have but would like'



PAUL TAYLOR is head of programme development in the UK at MWH