CODE OF PRACTICE FOR PROGRAMME MANAGEMENT IN THE BUILT ENVIRONMENT

CIOB
THE CHARTERED INSTITUTE OF BUILDING

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Code of Practice for Programme Management in the Built Environment

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Foreword

The concept of programme management is relatively new in the built environment. Its need, and continued growth, arises from the expectation that benefits obtained through coordinated management of multiple linked projects are greater than the sum of the individual project benefits. Therefore, programme management provides a systemic approach to achieve common goals and overall benefits.

Having started its life as a public sector tool, programme management has been gaining popularity in the private sector. There are now a significant number of organisations in both sectors, which are involved in the practice of programme management either in the capacity of client, programme manager, or both.

There are a number of documents and publications currently available for the general discipline of programme management. However, when it comes to the specific nature of the built environment – in which there are growing numbers of large and significant programmes – this new *Code of Practice* leads the way in being an authoritative document for both public and private sector practitioners.

Developed by representatives from the major professional institutions associated with construction and real estate, and from the key public sector organisations, practices and corporations involved with our industry, this document sets out best practice for programme management in the built environment.

I strongly commend the effort by this cross-institutional, public and private practice working group, in leading the way to produce this excellent *Code of Practice* for our industry. This will be of great value to all the associated clients, programme managers and supply chain professionals, as well as all students of the subject and their mentors. The benefits should be felt by not only those practising in the United Kingdom but also those globally, wherever programme management is gaining in importance as a delivery tool for programmes within the built environment.

Acknowledgements

This *Code of Practice for Programme Management* represents a continued effort over a sustained period of time, under the stewardship of Roger Waterhouse FCIOB and David Woolven FCIOB, to produce a practical document for a discipline which spans many industries. Programme management has no single universal definition or accepted standards, it aims to achieve benefits instead of just being time, cost and quality efficient; there are various types and a plethora of associated procedures and processes.

When the CIOB published the first edition of the *Code of Practice for Project Management* for construction and development in 1992, it was unique in many ways and has since found its place within our industry as an authoritative document. Its popularity has led to successive editions. Now into its fifth iteration, this pioneering document, I believe, will continue to serve the industry well.

This new *Code of Practice for Programme Management*, has similarly been prepared by a broad representation of the industry, with contributions from built environment specialists and interdisciplinary cooperation between professional institutions which represent our industry. I congratulate their perseverance and persistence in producing this excellent document and thank them all for their valued assistance in the process. A list of participants and the organisations represented is included in this book.

I would take this opportunity to extend a special note of thanks to Arnab Mukherjee FCIOB, for giving the document its final shape and coordinating the editing process.

Chris Blythe
Chief Executive
Chartered Institute of Building

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Summary of Key Terminology

Benefits	A (directly or indirectly) measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders and that contributes towards one or more organisational strategic objective(s).
Benefits management	The identification, definition, monitoring, realisation and optimisation of benefits within and beyond a programme.
Benefits profile	Used to define each benefit (and dis-benefit) and provide a detailed understanding of what will be involved and how the benefit will be realised.
Benefits realisation manager (BRM)	Supports programme manager by taking the responsibility in benefits identification, mapping and realisation – ensures that necessary business benefits are realised.
Benefits realisation plan	Used to monitor realisation of benefits across the programme and set governing controls.
Business change manager (BCM)	Responsible for ensuring that the objectives have been sufficiently and accurately defined, managing the transition activities and undertaking and determining whether the intended benefits have been realised.
Business partner	Organisations that have a business or financial interest in the outcome of the programme.
Clients	Persons using the services of a professional entity or those who are procuring products or services from a professional entity. In legal context, a client may instruct a professional entity to act on the client's behalf. In the programme sense, this document defines clients as 'the body or group that procures the services of professionals to initiate and deliver projects or a programme of projects'.
Customer	Persons who are paying for a product or a service but not necessarily in the legal context represented by the professional entity.
Deliverable	What is to be provided as a result of an initiative or project – typically tangible and measurable.
Dis-benefit	A (directly or indirectly) measurable decline resulting from an outcome perceived as a negative by one or more stakeholders that may or may not affect one or more organisational strategic objective(s).
Issue	A relevant event that has happened or is likely to happen, wasn't planned and requires management action.
Opportunity	A relevant but uncertain event that can have a favourable impact on objectives or benefits.

Outcome	The result of a change. Outcomes are desired when a change is conceived and are achieved as a result of the activities undertaken to reflect the change.
Output	The tangible or intangible effect of a planned activity or initiative.
Portfolio	A portfolio is a total collection of programmes and stand-alone projects managed by an organisation to achieve strategic objectives.
Programme	A programme is a collective of related projects coordinated to achieve desired benefits not possible from managing them as a group of individual projects.
Programme brief	Used to assess whether the programme is viable and achievable.
Programme communication manager (PrgCM)	Supports the programme manager by managing all internal and external communication channels, developing the programme communications plan and ensuring governance of internal and external communication protocols.
Programme delivery plan (PDP)	A detailed description of what the programme will deliver, how and when it will be achieved, financial implications of its delivery and implementation.
Programme financial manager (PrgFM)	Deals with complex financial issues including funding arrangements, cash flow and financial governance. Responsible for programme financial plan, budget and financial reporting.
Programme financial plan	A financial statement that collects all the costs that have been identified in relation to implementing the programme – often the funding streams are also identified in this document.
Programme management board (PrgMB)	A group established to support a programme sponsor in delivering a programme.
Programme management office (PMO)	The function providing the information and governance for a programme and its delivery objectives – it can provide support to more than one programme.
Programme manager (PrgM)	The role responsible for the setup, management and delivery of a programme – typically allocated to a single individual; for large and complex programmes an organisation can be given this role.
Programme mandate	Expansion of the vision statement setting out in greater detail what it is that the programme needs to achieve in terms of the outcomes and what it is that the programme seeks to deliver.
Programme monitor	In certain privately funded programmes, a programme monitor (sometimes known as funder/lender/investor's advisor or monitor) may be appointed, on behalf of the funding entities, to safeguard the interest of the funders.
Programme sponsor (PrgS)	The main driving force behind a programme and often is the point of accountability for the delivery.
Programme sponsor board (PrgSB)	The driving group behind the programme which provides the investment decision and senior level governance for the rationale and objectives of the programme.
Programme timescale plan	An overall delivery time schedule for the programme.
Project	A project is a temporary and transient undertaking created to achieve agreed objectives and produce and deliver a product, service or result
Risk	An uncertain event or set of events that, if it occurs, has an effect on the achievement of the objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring and the magnitude of its impact on objectives.

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Stakeholder	Any individual, group or organisation that can affect, be affected by or perceives itself to be affected by a programme.
Transition	The changes that need to take place in business as usual, which are aimed to be managed, as project outputs are exploited in order to achieve programme outcomes.
Transition plan	The schedule of activities to cover the transition phase of the benefits realisation plan.
Vision	A view of a better future that will be delivered by the programme.
Vision statement	A business vision for change setting out the intent and the benefits sought.

The interpretations of the key terminologies are based on the current definitions and usage across a number of industries and current good practice. Some of the interpretations are specific to this document. Further references are includes in the Bibliography.

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0 Introduction

This is the first edition of *Code of Practice for Programme Management in the Built Environment*. It is a natural development from the highly successful *Code of Practice for Project Management for Construction and Development*, now in its fifth edition, having been published initially in 1992. It, too, was the first *Code of Practice* for our industry for project management.

Both codes of practice were developed by representatives from the major professional Institutions associated with the built environment, the Chartered Institute of Building CIOB), Royal Institution of Chartered Surveyors (RICS), Royal Institute of British Architects (RIBA), Institution of Civil Engineers (ICE), Association for Project Management (APM) and from key government departments, industry practices and corporations, both domestic and international.

Just like project management, programme management is not unique to construction and real estate or the built environment, and there are many generic publications on programme management, not least those prepared by government. However, the term 'programme' has been used generically across many industries for decades, often in relation to extended projects or activity and time-related undertakings. We have researched many such publications on the way to achieving our aim of delivering a code of best practice for programme management for the built environment.

It is perhaps true to say that the earliest programmes of any strategic significance were those sponsored by government. Hence, much of the early research was focussed predominantly upon publicly funded programmes. This was not dissimilar to the situation for projects in the early days of project management, although privately funded projects were not far behind. However, today the term 'programme management' is still not fully understood by many professionals in the built environment. Many think of a programme as just a collection of projects. This *Code of Practice* is more specific and describes a programme as a collective of related projects coordinated to achieve desired benefits more effectively than when managing them as a group of individual projects.

Why did we choose 'for the built environment' and not 'for construction and development' as we did for the project management *Code of Practice*? Well, one of the key differences is that within the built environment there are many projects which are not construction or development related. For example, if we consider some of the client sectors involved in creating new facilities and/or infrastructure such as highways, rail, airports, shipping or nuclear and so on, all of these are likely to incorporate projects which are not related to construction. These may include disciplines such as information technology, human resources management (HRM), transportation, marketing and

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