

6 Stage Project Process



Writing a Project Management Plan

Who is this Guidance For?

This guidance is for anyone completing a Project Management Plan in support of a Full Application for project funding from Advantage West Midlands.

What is the purpose of the project management plan?

This document forms Section 3 of the Full Application Form. If your application for our funding is approved, it will form Annex 1 of the resulting grant funding agreement.

This will make it part of the legal agreement between the applicant and AWM and as such it will be controlled and updated by mutual agreement as required. Updates will occur at least annually as forecasts of monthly spend and outputs are made for the following financial year.

This document tells us what you propose to do; where the project will get its funding from; what you will spend the money on; what the project will deliver and the outcomes it aspires to achieve. It also tells us how you will manage and control the project and its finances.

How detailed should my project management plan have to be?

Your project management plan should reflect the value, complexity and risk of the project. If you have a small simple project we only require a small, simple plan.

Fundamentally, the plan needs to define the project in enough detail for us to enter into a legal agreement. That means it has to clearly describe a project that looks feasible whilst convincing us that you have adequate controls in place to deliver the project successfully and legally.

If you have a larger, more complex and/or risky project we will expect a larger and more detailed plan and associated controls. Your organisation may have standard procedures or protocols for handling items like procurement and finance and you can refer to these procedures, rather than duplicating them in the Project Management Plan. If we haven't worked with you before, we may ask for sight of these procedures during the appraisal of your application and project management plan.

If you are not clear what level of Project Management Plan is required, you should consult your Delivery Vehicle support or AWM Project Sponsor for advice.

1. Project Narrative

Describe your project in detail and how it will operate, basing your description on the information you provided in Section 3.1-3.8 of the Full Application Form.

We need a clear picture and understanding of the points below:

- The rationale for your project, its objectives and planned outcomes
- The planned Outputs the project will deliver
- A detailed Definition of the Project
 - What are you going to do?
 - Where are you going to do it? Show where the project is to be delivered geographically and the rationale for the scope and/or limitations to the area of delivery.
 - When are you going to do it? Explain why it is appropriate to progress this project at this time. Detail any complimentary links to existing, past or planned projects
 - Who will do it?
 - How are you going to do it? Explain the methods you propose to use to deliver the proposed project
 - Identify what you will spend the overall project funding on and in particular how our funding will be spent.
 - Who will benefit? Specify which groups the project will target and outline the specific benefits to them

Your answers in this section must be supported by the following completed Appendices:

- Appendix A, Project Gantt Chart - Work Breakdown Structure
- Appendix B, Schedule of Key Milestones

See Guidelines on Completing Appendices on Page 6 of this document.

2. Project Management Plan Objectives & Scope

This part of the plan contains two “pro forma” statements about the purpose of the project management plan and project delivery.

There is one to use with Section 3 of the Full Application and a separate statement that should be used in a Funding Agreement once the Application is approved by us.

You should choose the appropriate statement and customise it to identify the scope of the project management plan document, ie what does it cover what does it not cover.

3. Project Structure, Governance

- Include here a project organisation chart(s) including names and project roles. The chart should include any partner organisations involved. If you are completing this project management plan as part of your application and you have not appointed all the staff, identify the necessary roles. You can make a request to add names to this document once we have entered into a legal agreement for the project and the staff have been assigned or recruited
- Clearly state the agreed accountability, authority and delegation responsibilities of all parties.
- Tell us which senior manager in your organisation is responsible for the successful delivery of the project.

4. Project Monitoring, Reporting & Control

- Monitoring and Reporting
 - List the procedures you will use to track progress on the project together with a schedule of any monitoring visits you are planning to make.
 - Tell us how you will know the project is progressing to the agreed plan.
 - Tell us how you will know that the project has addressed the needs of the target beneficiaries
 - Tell us how you will monitor compliance with regulatory or funding agreement requirements such as publicity, procurement and State aid.
- Project Review and Oversight
 - Explain the arrangements you have in place for an independent review of the status and progress of this project.
 - Explain the escalation arrangements the project team will use to resolve issues.
 - Tell us how your organisation's senior management will know that the project is on target to achieve the agreed outputs, deliverables and overall objectives.
 - Tell us how your project team will raise difficult project issues for your senior managers to resolve.

5. Assuring Project Quality

- Explain the procedures you have in place to ensure the outputs and deliverables are of sufficient quality to meet the requirements of your legal agreement with us.
- Tell us how you will check that the outputs claimed within the project meet the requirements of the Output definitions included within the legal agreement
- Tell us how you will ensure that your outputs and deliverables are meeting the needs of the beneficiaries.
- Tell us how you will assure us that additional outputs you deliver are developed to meet our acceptance criteria.

If you are unsure of the type of information we need under this section, please consult your Project Sponsor.

6. Recruiting and Training

Explain the procedures you have in place to recruit and/or train the staff you and your partners need to deliver this project.

7. Documentation Management

- Tell us about the procedures you will use to manage the records for this project.
- Tell us about your records management arrangements.
 - Are your files paper or electronic?
 - What software packages do you use to create electronic files? i.e. Word, Lotus etc.
 - Where are the records held? Are copies of records held off site?
 - Are project records stored on a file server that is backed up regularly? If so how often?
 - Are sensitive records of personal data that you may hold on this project protected from unauthorised access?

8. Financial Management

- Use Appendix C to illustrate the Funding Profile of the project.
- Use Appendix D to illustrate the Cost Profile of the project.
- Tell us how you established these costs.

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- Tell us about the procedures you will use to manage the finances for this project (including grants, income and expenditure) and explain how you will manage costs and keep to budget, how cash flow is managed and how financial returns and claims are submitted and approved.

9. Procurement Management

Projects that receive public sector funding need to comply with a number of UK and European public procurement rules. In this section, we ask you to:

- Show how the procurement procedures you will use to purchase goods, works or services for this project will comply with UK and European Public Procurement Requirements.
- If the delivery of your project is to be sub-contracted, tell us about how you are going to ensure that the procurement process will;
 - Stimulate effective competition to ensure effective choice, diverse solutions and best value;
 - Assure delivery risks are transferred effectively to the chosen supplier.

10. Communications & Marketing

- Communications
 - Tell us how you will make your organisation and its partners aware of this project and its goals and to issue communications across the wider project team.
 - Explain how you will ensure that all stakeholders are kept up to date with project progress.
- Marketing
 - Tell us how you will market your project to ensure that the project reaches the target beneficiaries effectively. If the evidence that demand from target beneficiaries is weak, tell us how you propose to overcome this problem.
 - If your project needs a Business Plan you must tell us how you intend to market the project's services to the target users.

11. Change Management

- Tell us about the Change Management procedures you will use on this project.
- Tell us which changes will be referred to us as formal requests for a change to the Project and who will be responsible for referring those requests to us.
- Tell us how you will manage requests for change from us or other partners. Include details of the process to be followed for variations to the legal agreement & project change control.
- Tell us how you will manage changes to key project staff.

If you are unsure of the type of information we need under this section, please consult your Project Sponsor.

12. Risk & Issue Management

Risks are uncertain factors that may impact the outcome of your project. Managing risk effectively makes the best use of resources and maximises the likelihood of success.

Risks can be measured by two factors:-

- impact - the severity of effect on the project if the risk occurs – High, Medium or Low
- probability of occurrence – how likely the risk is to occur.

Risks should be prioritised by combining the impact and probability and focusing on the risks that have the highest impact and are most likely to occur.

You must identify the risks to the project and for each risk determine the impact it might have i.e. High, Medium or Low, and the probability of occurrence. You must then list the key risks to the project on the Application Form and summarise the plan for handling each risk; either preventing it happening or your contingency actions should it occur.

Risk identification is best started with a project workshop. Gather together representatives of the team who will deliver your project and ask their views. They are best placed to know what might go wrong with the project and its development and what its impact would be and how likely it is to occur. It is best to start with risks to your project achieving its critical success factors and then moving to the risks to achieving budget schedule and quality. Risk check lists can be useful to validate the workshop output and/or stimulate workshop discussion.

You then rank the risks by impact and probability and work out risk management plans and owners for the most important risks.

Examples of risk

1. Risk - Bad Weather during a winter construction project – Consequence – project is delayed/costs increase – mitigation or management strategy; ensure contingency in budget.
2. A potential project funder doesn't commit to the project when the Full Application is made - consequence; potential funding shortfall – mitigation or management strategies; seek commitment now and/or seek other funder(s).

Issues are existing factors which will impact the scope, schedule or resources required for the project unless resolved. Issues are prioritised by the severity of impact.

You must identify key issues facing your project and outline your plan for handling each issue.

Example of Issue:

1. A potential project funder has withdrawn just prior to your submitting a Full Application – mitigation or management strategy; reduce scope of project to reduce costs and eliminate shortfall.

Under this section, we ask you to:

- Explain the procedures you have in place for managing risks and issues, including a list of current risks and issues in Appendices F and G.
- Tell us how you identified and prioritised the risks and issues in your lists
- Tell us how you will keep this log of risks and issues up to date and how you will track assigned actions through to closure.

Guide to Completing Project Management Plan Appendices

Appendix A – Project GANTT CHART & Work Breakdown Structure

Include a Project Gantt chart or bar chart with identified milestones and control points and the work breakdown structure (WBS) from which the chart was derived.

A work breakdown structure (WBS) is an exhaustive, hierarchical tree structure (from general to specific) of deliverables and tasks that need to be performed to complete a project.

Appendices B-G are Completed on the spreadsheet attached in the Application Pack. If you are able to paste these tables legibly into the main body of this form please do so otherwise print from the spreadsheet.

Appendix B - Project Milestones

List here the key milestones to be achieved during the project delivery from your Gantt or Bar Chart above. You will be required to report against this when claiming funding payments from us (we will measure progress against these milestones as part of the legal agreement that you enter into).

Appendix C - Funding Profile

Project Funding

Please describe the funding that covers **all** of the costs of delivering your project and its outputs, explaining where they are coming from. For example, if your project is seeking a capital grant from us towards building a training centre that will deliver skills outputs, you should cover the capital costs of the construction and fit out of the centre **and** the revenue costs of delivering the outputs.

Please identify the actual financial years in which you applying for funding. Financial Year 0 is the current Financial Year 1st April to 31st March.

AWM Grant

Please profile the AWM project funding that is being requested, showing the split between Capital and Revenue funding.

AWM European Funding Sought

This section will be available for requesting 2007-2013 ERDF or RDPE Funding when the programmes have been approved by the Commission. Include any European project funding you are requesting, showing the split between Capital and Revenue funding and identifying whether it is ERDF or RDPE. You cannot apply for both types of funding.

Funding from Action Plans

Please profile the project funding. that is being requested from current ERDF Action Plans for which we are accountable, showing the split between Capital and Revenue funding. You should discuss this with your Project Sponsor and our Action Plan managers before using this funding stream.

Public Sector Funding

List any other public sector funding you have obtained for this project. Identify the source(s) of public sector funding and split the funding between the various funders and into Capital and Revenue funding. Add extra rows if you have more than three other public sector funders.

Private Sector Funding

List any private sector funding you have obtained for this project. Identify the source(s) of public sector funding and split the funding between the various funders and split into Capital and Revenue. Add extra rows if you have more than three other private sector funders. See note on private match funding below.

Applicant's own Funds

Tell us about your own funding for this project. Split into Capital and Revenue and identify anticipated capital and revenue gift-in-kind. If you are private sector, see note on private match funding above.

Total Project Funding

Include the totals of Capital and Revenue project funding here.

Receipts

If your project is going to generate Capital and or Revenue receipts, some or all of which is repayable to us, please include details here. Capital receipts might arise from the sale of assets. Revenue receipts could be rental income from assets purchased.

Beneficiary Match funding

Identify any beneficiary match funding here.

You should note that match funding for ERDF can only come from the public sector. If you are applying for RDPE funding you must read the guidance on RDPE Programme available from <http://www.advantagewm.co.uk>

European Funding Years.

You must split any AWM European funding applied into European Years and split any AWM ERDF funding proposed into calendar years.

Projects requesting RDPE should split this money into Common Agricultural Fund Years (October 16th to October 15th).

Appendix D - Project costing

Please consult Appendix 8 of the grant funding agreement on eligible costs prior to completing this section.

Provide a breakdown of your costs in accordance with the headings and definitions below.

If you have any costs you cannot categorise under the headings provided, use a separate line, clearly identifying the category you are assigning.

You will see that the form is categorised into Capital and Revenue expenses. You should consider capital expenditure to be money the project will spend on items like land, buildings or equipment that will last for more than one financial year.

Where you are able to reclaim VAT on purchases, use the net costs. Where you are unable to reclaim VAT, include this as a cost against the 'unrecoverable VAT' line under Revenue costs.

Capital Costs

We require a breakdown of capital costs into the following categories:-

Land and Buildings Acquisition – Insert the cost of acquiring land and buildings here.

Demolition – Insert the costs of any demolition work required by the project

Land Reclamation – Insert the cost of reclaiming contaminated or derelict land here.

Building Works – Insert the costs of any construction or renovation work

Building Fit Out – Insert the costs of fitting the building shell out for its intended end use

Plant & equipment – Insert the costs of any plant and equipment required for the operation of the project.

Professional Fees – Insert the costs of all professional services required to deliver the project. This can include Legal, Architectural, Design, survey and evaluation, engineering, and project management services. Consult your project sponsor if you are not sure about other services.

Grants to Beneficiaries – Show any capital grants to beneficiaries

Other please state – Please list any other capital costs which do not fit into the categories above and describe each additional category.

Revenue Costs

We require a breakdown of the costs of operating your project into the categories below, which are split into Project Overhead Costs and Project Delivery Costs.

Project Overhead Costs

Project set up costs – Insert any revenue costs associated with setting up the project

Management and Administration Salaries – Insert here the salaries and employment costs of the staff you plan to employ to manage and administer the project

Management and Administration Accommodation Costs – Insert here the costs of the accommodation for staff that will manage and administer the project. This should include rent, council tax and all utilities.

Travel Expenses – Insert here the estimated travel costs of the staff you plan to employ to manage and administer the project.

Consumables – Insert here the office costs of the staff you plan to employ to manage and administer the project.

Recruitment – Include here the costs of recruiting any staff required to operate the project.

Staff Training – Include here the costs of training any staff required to operate the project.

External Marketing – Include here the costs of external marketing of the project to ensure it is taken up by its target beneficiaries.

Project Consultancy/Training – Include here the costs of any consultancy advice on the operation of the project that you plan to obtain.

Interest on Loans – Include here the costs of servicing any loans you have to take out to deliver or operate the project.

Professional Fees for Project Audit and Evaluation – Include here the costs of Project Audit and Evaluation.

Other Please State – Please list any other overhead revenue costs which do not fit into the categories above and describe each additional category

Total Project Overhead Costs – Insert the total overhead revenue costs of supporting the project here

Project Delivery Costs

Salaries and Employment Costs – Insert here the salaries and employment costs of the staff you plan to employ to deliver the projects activities.

Delivery Accommodation Costs – Insert here the costs of the accommodation for the staff who will deliver the project's activities, including rent, council tax and all utilities.

Travel Expenses – Insert here the estimated travel costs of the staff you plan to employ to deliver the project’s activities.

Consumables – Insert here office costs and any other consumables required to deliver the project’s activities.

Training Fees – Insert here the costs of any external training provided by the project for beneficiaries.

Consultancy Fees – Insert here the costs of any external consultancy provided by the project for beneficiaries.

Revenue Grants – Where the project aims to provide revenue grants to beneficiaries for consultancy or training insert here the costs of any external training provided by the project for beneficiaries.

Other Please State – Please list any other project delivery revenue costs which do not fit into the categories above and describe each additional category.

Total Project Delivery Costs – insert the total revenue costs of delivering the project here

Unrecoverable VAT – Please insert any unrecoverable VAT here.

Total Revenue Costs – Insert the total revenue costs of managing, administering and delivering the project here.

Appendix E Deliverables Profile

Project Deliverables

Our grant funding agreement will commit you to delivering “Outputs” that reflect progress towards our goal of promoting the economic regeneration and development of the region.

These Outputs reflect targets we have to achieve for funds we apply. These targets are set by various UK government departments and Europe.

You should only include those outputs that arise directly from our project funding and which you are confident that you can deliver whilst meeting the requirements of the output definitions described in the Funding Agreement included in the Project Development Pack

When describing outputs you should only include numbers that you believe are additional to what would have occurred without your project happening.

The targets you propose should be achievable but stretching.

Your project will be judged by the value for money it delivers both in terms of total project costs and in terms of our funding.

We will include these outputs within any resultant Grant Funding Agreement and payment of the Grant will be dependent on you delivering and evidencing the proposed outputs.

AWM and 2007-2013 ERDF Funding

Use this section to show the range of AWM and ERDF Outputs that your project will deliver. There is a combined Tasking and ERDF Output Definition document within the Proposal Pack. You should read this carefully before completing this section.

Common Tasking and ERDF Outputs

Use this section to show the range of common AWM Tasking and ERDF Outputs that your project will deliver and the share that is due to Advantage West Midlands.

AWM Only Outputs

Use this section to show the total number of AWM Only Outputs that your project will deliver and the share of these outputs that is due to Advantage West Midlands.

ERDF Only Outputs

If your project funding includes current ERDF Action Plan Funding and your project is delivering 5 day business assists you can include these here.

The remainder of this section is for use when the 2007-2013 ERDF Programme is approved. If your proposal includes requests for ERDF Funding you can use this section to show the estimated number of ERDF Only Outputs that your project will deliver.

Do not use this section if you are not requesting ERDF Funding.

Other Deliverables

If there are other short term deliverables that demonstrate progress towards achieving the Project's objectives and outcomes, list these here. Define the specification of each deliverable and include it in Annex 6 of the Full Application.

RDPE Outputs and Indicators

If your proposal includes requests for RDPE Funding you should record the RDPE Outputs in Annex 5.

Impact and Strategic Value-Add

If your project is requesting funding on the basis of 'strategic value-add', then this must also be detailed, showing the differences to the project with and without our funding.

Appendix F - Project Issue Log

List here the most important issues facing the project which must be resolved before it can progress. Identify who is responsible for resolving these issues and how you propose to manage them.

Appendix G - Project Risk Log

List here the most important risks facing the project, your strategy for managing them and identify who is responsible for managing them.