

The Brexit Project – The Need for a Project-Based Approach

Martin Hopkinson

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The result of the British European Union (EU) referendum in June 2016 launched the largest UK project that we may see in our lifetimes. The electorate has set the government the objective of leaving the EU. Project completion is likely to be two years after the UK declares intention to leave under Article 50 of the Lisbon Treaty. This article uses Association for Project Management (APM) and UK government guidance in order to identify issues with its governance and management that should be considered moving forwards.

Project Objectives

Although leaving the EU is an unambiguous high level project objective, much has yet to be decided about the level of detail below this. For example, it is uncertain as to whether the UK should remain in the European single market. Similarly, there is much debate as to the nature of future immigration controls and the consequences that these might have for UK citizens living in other EU countries. Moreover, since the EU is likely to continue to require membership of the single market to be conditional on the free movement of people, trade-offs will be required when setting objectives at a more detailed level.

A key issue with the UK's post referendum position is that a decision has been taken to implement the Brexit project before the project has itself been adequately defined. The conventional project approach to avoiding this mistake is to use a project lifecycle model with planned phases and gate review decisions to govern the iterative development of project objectives and manage the associated risk and trade-offs. The Association for Project Management (APM) lifecycle provides an example of this principle by identifying the need for concept and definition phases prior to project implementation ¹. Full commitment to a project would not normally be given until these initial two phases had been completed successfully.

In the current circumstances, I would argue that David Cameron was right to delay the Article 50 declaration. At the time of writing, Theresa May has just replaced him as Prime Minister (PM). The early indications are that she will not make the Article 50 declaration until the government is better prepared. This would give the government vital time to define and plan to achieve the Brexit project's objectives at the appropriate level of detail before its implementation phase.

Points to consider before the UK declares intention to leave the EU under Article 50

Declaring intention to leave under Article 50 exposes the relevant nation to the risk that the EU can deem it to have left two years later regardless of subsequent events. Since there might be no turning back from this decision, it should be regarded as being the point at which the government has committed the country to the Brexit project implementation phase. The UK government should thus be assured that the project plan is robust and that its risk implications are acceptable to the country before making the declaration.

Risks that are dependent upon the Brexit solution and its implementation could include:

- the need for and outcome of a second Scottish independence referendum,
- the effect on the Northern Ireland peace process of any new controls over the freedom of movement of people and goods across the Irish border,
- the effect on national security arrangements, and
- failure to achieve pre-existing government objectives promised to the electorate in the Conservative party manifesto during the 2015 general election.

To disregard such risks would be to treat leaving the EU as being of supreme importance, in effect trumping all other issues within the government's portfolio of responsibilities. Although the constitutional implications of the referendum result are uncertain, it would seem unlikely that this would be an acceptable approach.

Although the new PM could make UK's Article 50 the declaration immediately, a sound project governance process should require the executive to have reviewed a well-defined solution and risk-robust business case at the main project approval point. Given that so little progress has been made to date, the Article 50 declaration will need to be delayed if significant Brexit-related risks are to be managed effectively. This approach would be consistent with the UK Treasury's Green Book ², which opens with the statement that "All new policies, programmes and projects, whether revenue, capital or regulatory, should be subject to comprehensive but proportionate assessment, wherever it is practicable, so as best to promote the public interest".

However, the effects of ongoing uncertainty about the Brexit solution have created pressure for an early Article 50 declaration both within the UK and the EU. Pending this, the European Commission has stated that there will be no negotiation thus creating an impasse. I would argue that this position is not in the interests of either party and initial talks should be held to allow the UK to clarify its Brexit plan. If necessary, the UK should consider delaying its Article 50 declaration to persuade the EU to change its approach.

Project Sponsorship and the Project Board

The APM describes the project sponsor as being the person who owns the project business case ³. It also recommends that there should only be one sponsor ⁴. Prior to referendum day, there were multiple sponsors and rival “Out” campaigns. Many of the leading protagonists have since fought each other for political position (Boris Johnson, Michael Gove and Andrea Leadsom) or have resigned (Nigel Farage). This exposes the lack of a unified position on what “Out” should achieve and illustrates the dangers of having multiple project sponsors.

Given the implications of Brexit, the role of project sponsor will be held by Theresa May. She will lead the cabinet, which should endorse the objectives set.

If the cabinet endorses the Brexit project objectives it might be regarded as being the project board. However, in practice the number of cabinet members may make it too unwieldy to serve this purpose. As project sponsor, the PM may thus need to consider the advantage of forming a project board from the subset of cabinet ministers who head the most significantly affected government departments. This approach would reduce the board membership to a number in the range of ten to fourteen. It might be compared to the UK’s previous practice of maintaining war cabinets. Whether such a step is appropriate would depend upon the PM’s judgement about the priority to be given to the Brexit project and the extent to which the current situation might be treated as being a time of crisis.

Project Management

The APM’s guide to the governance of project management *Directing Change* ³ identifies two critical roles in each project: the project sponsor and the project manager. As the project sponsor, Theresa May has identified the project manager by appointing David Davis to the new cabinet position of Secretary of State for Leaving the EU. The new “Minister for Brexit” will oversee all associated negotiations with the EU and should be responsible for achieving the Brexit project objectives endorsed by the cabinet. Given the need for a project manager with a belief in the benefits of their project, it is appropriate that this post has been filled by someone who campaigned to leave the EU.

However, It is as yet unclear what resources David Davis will have to deliver the Brexit project. For example, some activities may be reliant on resources provided by the Foreign Office under the leadership of Boris Johnson. As project sponsor, it will be the PM’s responsibility to take decisions on the deployment of resources not managed directly by the project manager ². To be effective as Brexit Project Manager, David Davis will need a capable and adequately resourced project team and a scope of freedom to act sufficient to enable his delivery of the project’s objectives.

Is Brexit a Project or a Programme?

The APM defines a project as being a unique, transient endeavour undertaken to achieve planned objectives ¹. The Brexit project as described so far in this article fits that description. However, the Leave campaign identified other benefits of leaving the EU. Examples of these benefits were the rationalisation of EU-related regulation and the opportunity to agree trade deals with non EU countries. Such opportunities should now also be managed. Although they are likely to involve different timescales and objectives, the extent and nature of each opportunity may be dependent upon the EU Brexit project solution. There is thus the need to recognise the existence of a wider Brexit-related programme.

The APM's governance guides apply to both projects and programmes ^{3,4}. Accordingly, the new PM can also be regarded as being the programme sponsor for all Brexit-related activities. Theresa May will thus need to identify the various activities, programmes and projects involved and clarify the key management roles and responsibilities and the scope of freedom that ministers have to act. To this end, she has already made an important programme decision by creating a new Department of International Trade to be led by Liam Fox and tasked with negotiating new international trade deals.

The need for realistic information and the role of independent experts

Directing Change ³ lists thirteen principles applicable to the governance of project management in all organisations. Two of these are:

Principle 8: Project business cases are supported by relevant and realistic information that provides a reliable basis for making authorisation decisions.

Principle 9: The board or its delegated agents decide when independent scrutiny of projects or project management systems is required and implement such assurance accordingly.

The referendum campaign has been criticised for the use by both sides of unrealistic and misleading information. In addition, there were forceful arguments that the advice of independent experts should be ignored. If the Brexit project is to produce the best outcome for the UK's electorate, this political culture must be reversed. The project will be large and complex and will involve many stakeholders. It is also likely to trigger additional projects, for example to handle new citizenship and immigration rules.

In this circumstance, the government should consider its own advice based on learned experience from previous UK government projects. For example, it could review the Brexit project against the list of eight common causes of project failure identified by the National Audit Office and Office of Government Commerce ⁵. One of these causes is recorded as *lack of skills and proven approach to project management and risk management*. In addition to

the use of experts in specialist fields such as law, trade and immigration control, I would argue that the government should seek to employ the strongest project and risk management team that it can assemble.

Conclusion

The EU referendum result has directed the UK government to implement an ill-defined project with uncertain but major consequences. An early implementation of this project might involve unacceptable risk to the country. Against this, delay that prolongs uncertainty also has adverse consequences. In this context, the early conclusion of the Conservative leadership contest and appointment of the new PM is to be welcomed. Moreover, since becoming PM, Theresa May has made a number of decisions which have helped to clarify the way ahead and that are consistent with a sound project-based approach.

However, the Brexit project's objectives and plan have yet to be clarified. Time should be allowed for the project to be defined and planned in a way that leads to an optimised outcome. As this process is undertaken, as the project is later implemented, there is a need for high standards of ethical behaviour and for decisions to be taken on the basis of realistic information.

References

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About the Author



Martin Hopkinson

United Kingdom



Martin Hopkinson is the Director of Risk Management Capability Limited and has 30 years' experience as a project manager, project risk management specialist and consultant. His experience has been gained across a wide variety of industries and engineering disciplines and includes multi-billion pound projects and programmes.

Martin's first book, *The Project Risk Maturity Model*, concerns the risk management process. His contributions to Association for Project Management (APM) guides such as *Directing Change* and *Sponsoring Change* reflect his belief in the importance of project governance and business case development.

In his new book *Net Present Value and Risk Modelling for Projects* he brings these subjects together by showing how NPV and risk modelling techniques can be used to optimise projects and support project approval decisions. ([To learn more about the book, click here.](#))