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The false economy of cutting risk budgets — why accountability in project leadership still falls short

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03 Oct 2025 • [Richard Graham](#)

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Every project manager in a complex environment has seen it happen. A budget gap appears. Senior leaders, under pressure to demonstrate control, look to contingency funding as a quick fix. The result: funding intended to manage risk and uncertainty is quietly reallocated — and, critically, so is the process to access it. The risk remains, but now it's un-resourced, unmanaged and unacknowledged. When delivery falters, it's not the senior leaders who made the cut who are held to account. It's the project manager and their team, left to absorb not only operational risk but the emotional fallout of decisions they neither made nor sanctioned.

This pattern, where both risk funding and the mechanisms to mitigate are removed, reflects a structural accountability gap. In the UK Ministry of Defence (MoD) and the NHS, such decisions are routinely made at senior levels. Yet delivery teams bear the consequences. The result: delays, weakened trust and an accountability culture that punishes those with the least control over root causes.

Risk without resources: A repeating pattern

In defence programmes and NHS digital transformation efforts, contingency funding is often seen as a reserve to ease wider financial pressure, not a resource to manage real, emerging risks. Oversight reports highlight cases where the removal of contingency coincided with delivery disruption.

These decisions are rarely interrogated in real time. Senior leaders who remove risk budgets or disable mitigation routes often remain insulated from scrutiny. Project managers, lacking strategic authority, absorb reputational damage. Management researcher Armin Rezania described this as an “unresolved paradox”: responsibility is delegated downward, while authority stays elsewhere.

This dynamic doesn’t just strain governance — it distorts behaviour. Project teams often start working defensively, document excessively and fear escalation. Confidence in senior leadership fades and delivery becomes a psychological burden, not a shared endeavour.

Symbolic vs substantive accountability

This issue reveals a deeper cultural pattern: accountability as a retrospective function, not a forward-looking responsibility.

Philosopher Tom Grimwood calls this “performative compliance” — accountability reduced to checklists, reports and metrics, while real scrutiny of upstream decisions is avoided. Development expert John Gaventa offers the idea of “invited versus claimed spaces,” where those in power control participation rather than share it.

These symbolic signals shape behaviour. Leaders delay decisions until pressure forces them. Teams stop challenging upward. Learning gives way to reputation management. The system rewards caution over courage and compliance over clarity.

Project researcher Bent Flyvbjerg has shown that most failures stem not from poor execution but from strategic missteps early on. If those choices are invisible, so too is the accountability.

What gets lost when risk processes disappear

Removing contingency is often framed as control. But it can have the opposite effect. Funding disappears — and so does the process to access it when risks emerge.

This disrupts governance integrity. Project managers face unknowns without support. Assurance becomes ritual, not reflection. Just as critically, the psychological safety of teams erodes. Without escalation routes, teams internalise failure. The emotional toll — stress, anxiety, burnout — becomes the hidden cost of leadership opacity.

The Ajax armoured vehicle programme in the MoD suffered from poor escalation and fragmented accountability. NHS digital projects under Integrated Care Systems (ICSs) faced similar issues. In both, governance structures existed, but the real decisions happened outside them.

From reflection to reform: Bridging theory, behaviour and practice

These challenges point to deeper flaws in systems leadership. Bridging reflection and reform requires more than procedural fixes — it demands attention to behaviour, culture and trust.

The *APM Body of Knowledge 8th Edition* (BoK8) reminds us that project success depends not just on frameworks, but on leadership behaviours that foster transparency, learning and accountability. These behaviours ripple outward: when leaders model ownership, teams feel safe to speak. When they obscure decisions, teams withdraw and learning halts.

Five practical moves for project managers in complex P3M environments

While systemic reform takes time, Project managers operating within complex portfolios, programmes and projects (P3M) can still model ethical leadership and behavioural integrity. Even when authority is constrained, these actions — aligned with APM BoK 8 — help surface decisions, reduce ambiguity and signal psychological safety:

Log received decisions — not just your own

APM BoK 8 Section 3.3 stresses the value of traceability. Even if senior decisions aren't visible in formal logs, recording what was received, when and with what rationale creates a narrative that protects teams and supports learning.

Build short, reflective loops into delivery cycles

APM BoK 8 Sections 2.3 and 3.4 advocate continuous knowledge capture. Short retrospectives, phase-end debriefs, or informal pause-and-reflect calls can maintain calm delivery and reduce hidden burnout.

Map influence, not just hierarchy

APM BoK 8 Section 3.5 encourages stakeholder analysis by power, interest and influence. Understanding informal networks — who really has a voice or veto — is critical in politically charged environments like Defence and the NHS.

Clarify the reality of contingency — even if you don't control it

APM BoK 8 Section 4.6 frames contingency as a leadership responsibility. Where processes to access it are unclear or removed, document the gap early and treat it as a governance risk.

Engage assurance as a thinking partner, not a checkpoint

APM BoK 8 Section 3.6 describes assurance as a continuous, value-adding process. By engaging assurance early, Project managers can validate assumptions and share responsibility for surfacing risk.

These actions won't resolve structural failings alone. But they reduce ambiguity, protect team wellbeing and restore honest dialogue between layers of leadership.

Closing reflection

Until strategic decisions are held to the same scrutiny as delivery outcomes, project managers will continue to bear the risk without the resources. The quiet removal of contingency funding — and the processes to access it — isn't just inefficient. It undermines trust, reduces transparency and leaves teams exposed.

Leadership accountability must mean more than audits and governance diagrams. It must become a visible, behavioural practice — one that recognises the emotional impact of upstream decisions, restores trust through honesty and rebuilds delivery as a shared human endeavour.

You may also be interested in:

- Learn about budgeting at the [APM Learning platform](#)
- [What is project cost planning and control?](#)
- Buy the book: [APM Body of Knowledge 8th edition](#)



Written by
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Richard Graham is a Chartered Project Professional and Fellow of the APM with over 18 years' experience leading complex programmes across defence, government and the third sector. He is a Lecturer at the University of Cumbria, Senior Project Manager at a major UK defence manufacturing, founder of the Centre for Leadership Insight think tank and a doctoral researcher at the University of Cumbria exploring leadership effectiveness in teams and individuals. Richard's approach to leadership blends practical

The false economy of cutting risk budgets — why accountability in project leadership still falls short delivery with critical reflection, and he regularly writes on ethics, behaviour and decision-making in project environments.

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