

Project Initiation and Business Cases Handbook

Chapter 3

Client Team Roles and Responsibilities

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Overview

1.1. Project initiation is a critical time in the project lifecycle and in order to afford the project every chance of success it, and the whole project cycle, must be appropriately resourced by the client. The key resources are human; these will vary dependent on the size, complexity and subject of the project as well as on the stage the project is at. This chapter discusses and provides guidance on the roles and responsibilities of the client.

Guidance

2.1. All major works projects should have an investment decision maker, project owner and project sponsor. The following paragraphs explain their roles and responsibilities and those of the project manager and client adviser. There will be other roles in addition to these and which will be dependent on the specific nature of the project. Careful consideration of what those specific skills are will be necessary in order to deliver the client side of the project. Completion of the Construction Capability Assessment Tool (See [CPN 1/2022](#)) will help you understand if gaps exist in your capability and capacity and therefore where additional resource might be required to undertake a project.

2.2. Some projects involve more than one source of funding, in which case each funder, preferably in consultation, must ensure that there are clear written arrangements for the management of the project including:

- how the contribution of each funder is to be calculated;
- the monitoring information to be given to funders;
- what approvals are required from individual funders at particular stages;
- change control procedures;
- the arrangements for the apportionment of costs in the event of the project being curtailed, abandoned or increasing in cost;
- the arrangements in the event of any of the funders failing to meet its obligations;
- the ownership of the assets and arrangements for repayment of grant in the event of the asset not being used for the purpose intended or having been disposed of; and
- a procedure for the resolution of disputes.

2.3. In some client organisations and for some projects, the roles of investment decision maker and project owner, or project owner and project sponsor, may be combined. If this should happen:

- the allocation of the three roles should be made clear;

- the three roles must not be combined and allocated to one person; and
- the person taking on a dual role must have at least the authority and status required of the higher function.

2.4. The following chart sets out a possible governance structure with each of these roles and their relationships.

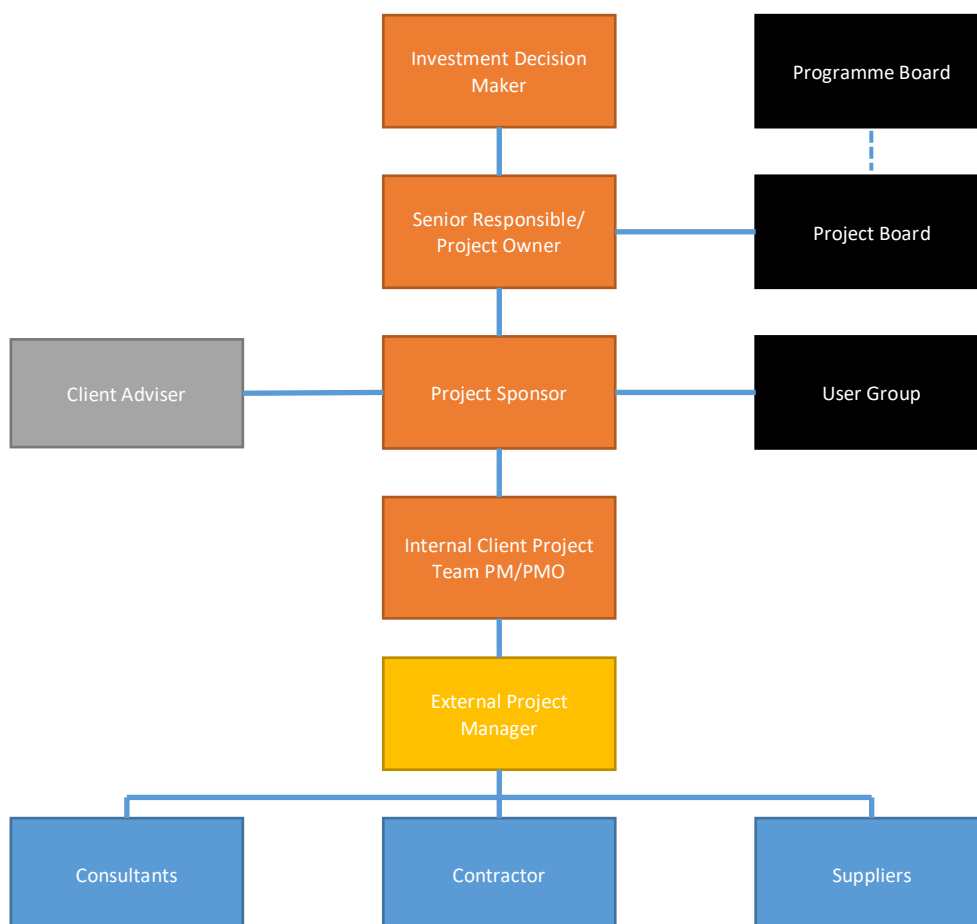


Figure 1: A possible governance structure

Specific Roles

3.1. The following sections will consider each of the specific roles of Investment Decision Maker, Project Owner, Project Sponsor, Project Manager and The Client Adviser.

Investment Decision Maker

4.1. **What do they do?** This is the person/committee in the client organisation that decides whether or not the proposed investment in a project should be made, then maintains the visible and sustained senior management commitment to its delivery. The role may be at ministerial, board or senior official level, depending on the size and complexity of the project. Key responsibilities are to give approval, where appropriate, for key project stages e.g. business case approval, major changes to risk profiles, investments proposals, assurance gates etc. Any risks or proposed changes to the project which

may vary the original approval should be referred to the investment decision maker, seeking guidance or re-approval as appropriate.

4.2. Who takes on the role? It may be taken on by an individual or a committee. In practice, on a major project significantly affecting the client organisation's budget, reputation or operation, the task could well fall to an Accountable Officer. When the possible need for a project is raised, the investment decision maker should appoint a project owner.

4.3. What happens if things change? If an alteration in the scope or direction of a project is suggested, the investment decision maker must consider the impact on the client organisation in terms of time, cost, performance and risk. Should a decision then be made to change the scope or direction of a project, the brief and the project sponsor's terms of appointment must be amended to reflect the change. All changes must be transparent, properly reasoned, recorded and authorised. The earlier a change is implemented the less the impact on the project cost; as the project progresses change becomes more difficult and costly to implement. Changes during construction are likely to have a disproportionately large cost and time impact (see illustration, *Figure 2*, below). They should therefore be avoided as far as possible and where this is not possible, the consequences and benefits must be evaluated prior to the change being implemented.

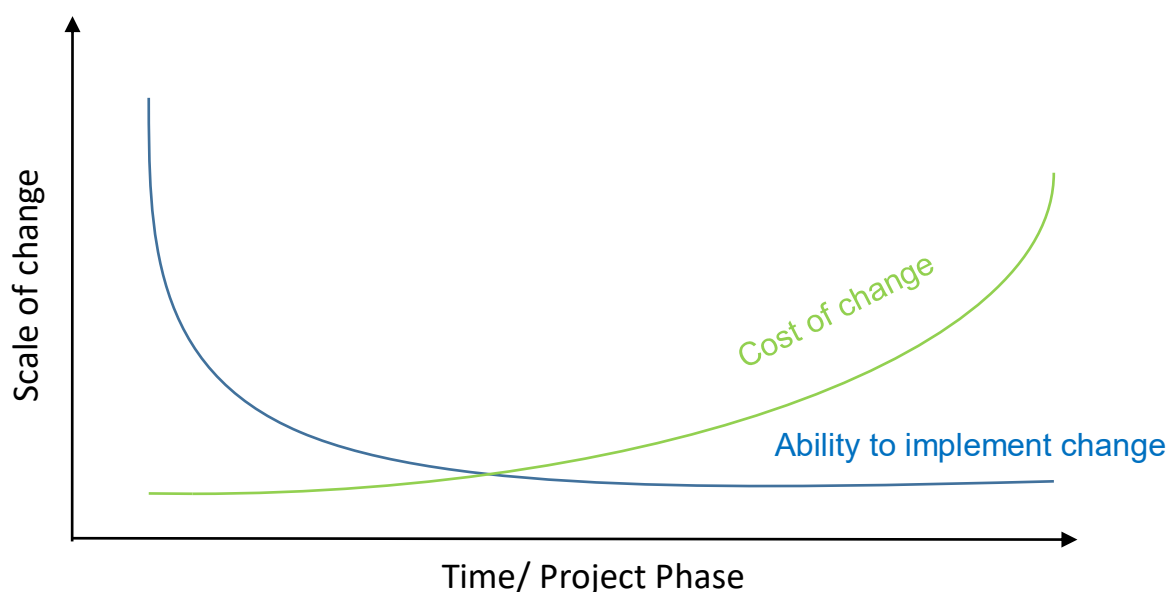


Figure 2: Change cost and time

Project Owner

5.1. Who are they? Also known as the Senior Responsible Owner, this is the named individual who should be appointed by, and is accountable to, the investment decision maker for the project and its budget. The project owner should be a senior officer in the business unit commissioning the project, with the status and authority to provide the necessary leadership. They must have clear accountability for delivering the project requirements in accordance with the approvals given.

5.2. **What do they do?** The project owner's responsibilities are given at [Annex A](#).

5.3. **Who do they work with?** They should be accessible to senior users and, in order to reinforce the commitment to the project, should also be visible to the senior management of the firms working on it. Such contact should provide an opportunity to promote the project and the benefits that it will bring, and should help to avoid any misunderstandings or potential disputes. These activities should not, however, cut across the daily management responsibilities of the project sponsor.

5.4. The project owner may be assisted by a project board to ensure that other stakeholders are committed to the project, though this board should not have any powers which cut across the project owner's accountability and authority. Project boards should be advisory only, addressing strategic issues and major points of difficulty. If a major issue cannot be resolved with the project owner, board members should have recourse to the investment decision maker. The project owner must form part of a clear reporting line from senior management to the project sponsor. See [Annex A](#) to this chapter for further detail.

Project Sponsor

6.1. **Who are they?** This named individual, responsible to the project owner, is also known as 'the client's representative'. Likely to be the person best placed to manage the client's duties, the project sponsor is a single focal point for the daily management of the client organisation's interest in a project.

6.2. **What do they do?** The project sponsor is responsible for the day-to-day management of the project and delivery of its outputs and outcomes. A list of the tasks associated with the project sponsor is provided at [Annex B](#).

6.3. **Who does the project sponsor work with?** There may be occasions where the project is being delivered collaboratively by more than one body. In these circumstances it may be necessary for sponsorship to be shared between these organisations. In cases where the sponsorship role is shared, the respective roles should be defined and agreed at the outset to avoid any possibility of ambiguity, and the project sponsor within the project owner's organisation should ensure that an effective monitoring and reporting system is established.

6.4. In some instances, it may be appropriate for the one of these bodies to carry out the full range of project sponsorship duties on behalf of both (all).

6.5. Where the project sponsor is not a technical expert, and such expertise is not available in-house, they should involve a client adviser as soon as possible. This person should have substantial technical and professional expertise in the field of construction, and will act as a consultant providing advice on all construction matters, particularly those which must be carried out before the appointment of the project manager.

6.6. The project sponsor has personal responsibility to the project owner for the entire project and should expect to stay until its completion. Maintaining continuity in this role is essential.

6.7. It may be appropriate for a project manager to be appointed to the internal project team, if this is not the case then the project sponsor will assume the duties and role of the project manager.

Project Manager

7.1. **Who are they?** This is the named individual responsible for the day-to-day *detailed* management of the project and who provides the interface between the project sponsor and the supply side of the project team. Good project management is crucial to the success of a project.

7.2. **Are they always required?** For most projects an external or in-house project manager should be appointed. However, it needn't be an automatic requirement and should take account of the individual and the circumstances. For example, with the appropriate support, the project could be managed by a suitably competent project sponsor providing they are construction professionals with abilities and experience appropriate to the project.

7.3. **Who decides which contractors/consultants to employ?** Where the role of project manager (or any other role in the management structure) is filled by personnel who are not part of the client organisation, decisions about which other contractors, consultants or service providers should be appointed must be taken by a more senior permanent employee in the client chain of command; this will usually be the project sponsor or project owner).

The Client Adviser

8.1. **Who are they?** An appropriately qualified client adviser should be involved as soon as possible after project inception to assist non-technical project sponsors. If a consultant is appointed to provide this role, it should not be combined with that of the project manager or any delivery role but should remain totally independent.

8.2. **What do they do?** The need for such specialist technical advice is very much demand led. A client adviser may be required by a project sponsor due to a number of inter-related factors including the stage, size, complexity and duration of the project; the experience of the project sponsor; and the extent to which a project runs smoothly. The client adviser, then, should be used on a call-off basis, allowing a varying degree of input during the project life cycle. The client adviser does not become responsible for delivering the project: this remains the responsibility of the project sponsor.

8.3. **When are they required?** With regard to project stage, for example, it is likely that input from a client adviser will be required at inception/feasibility, prior to the appointment of a project manager. They should then be retained to give further advice, as needed, during the later stages of the project. There is generally little correlation between the project size and duration, and the need to appoint a client adviser; more relevant is the complexity of issues faced and the experience of the project sponsor.

8.4. **Can there be more than one client adviser on any project?** Occasionally advice is sought from more than one individual during the course of the same project. For example, a complicated contractual claim may require an experienced Quantity Surveyor for legal or financial advice or, additionally, advice from a planning specialist who is expert at compiling and interpreting critical path programmes. Client adviser

input is particularly valuable where an impartial assessment is required concerning the performance or professional liability of the project manager and design team members.

Further Guidance

9.1. As part of the work on the implementation of the Review of Scottish Public Sector Procurement in Construction the [Scottish Futures Trust](#) produced a [Baseline skillset guidance](#) this provides an online [tool](#) to help procuring authorities to determine whether their internal team has the appropriate skills and experience to manage a construction project.

Summary

10.1. Getting the right team with the right skills together at the right time is an essential part of achieving success in projects. The core team that owns and drives the project will have a key impact and careful attention must be paid to the detail of forming and maintaining it throughout the lifecycle of the project and indeed for the future management of the asset.

Project Owner

1. The main responsibilities of the Project Owner include the following:
 - Oversee the preparation of the business case and budget for the project:
 - ensuring the proposals are realistic, meet the business needs and objectives, and that private sector options have been properly considered; and
 - submit them to the investment decision maker for approval. Account should be taken of any asset management plans and estate strategies which should be in place
 - Establish an appropriate organisational structure and the necessary communication processes;
 - Ensure that users and other stakeholders are involved in, and committed to, the project;
 - Appoint a project sponsor and provide the terms of reference, adequate staff and financial resources, and any necessary support. This might include the appointment of a client adviser and ensuring that appropriate support is available;
 - Ensure that a brief is developed which clearly reflects the project objectives and is agreed by the users;
 - Establish a progress and reporting procedure, ensuring that any changes in circumstances, particularly the exposure to risk, affecting the project are evaluated and appropriate action taken. This includes reporting to Accountable Officers and the responsible Minister where there are serious concerns about the viability of a project;
 - Act as mediator or arbiter on any disputes which occur on the client's side;
 - Approve any changes to the scope of the project, ensuring those which impact on time, costs or objectives are assessed and reported to the investment decision maker as appropriate;
 - Ensure that Gateway Reviews, in-project reviews and post project completion reports are carried out and shared with all stakeholders in the project. The outcome of Gateway Reviews of high risk or mission critical projects should be reported to Accountable Officers and, if the review identifies serious deficiencies, difficulties or budget concerns, to the responsible Minister by the Accountable Officer; and
 - Maintain an official record of how Gateway Review recommendations have been implemented (or setting out reasons for not implementing any recommendation).

- The project owner should draw up the terms of appointment for the project sponsor, setting out the following:
 - the user needs to be addressed by the project;
 - the resources available to the project sponsor both internally and externally;
 - the authority transferred to the project sponsor; and
 - the project sponsor's responsibilities in relation to health and safety.
- The project owner should ensure that the terms of appointment are amended promptly in line with any decisions taken by the investment decision maker. The business case and investment proposals, normally prepared by the project sponsor, are then the project owner's responsibility to ensure that they are reviewed and that:
 - the recommended option meets the users' needs whilst providing best value for money(VFM);
 - all of the viable options have been properly evaluated; and
 - risks associated with each option are clearly identified together with their impact on the project in terms of time, cost and performance.

2. The project owner should be committed to encouraging good team working practices within the client organisation and, wherever possible, within the other organisations involved with the project. In particular, the project owner should give clear, decisive support where the client organisation enters into partnering or team working arrangements with consultants and contractors during the life of the project. Such visible support could include commitment to any partnering agreement that may have been established and attendance at the inaugural partnering workshop.

3. Along with senior personnel from the other parties involved, the project owner should attend project reviews at regular intervals, appropriate to the stage and nature of the project, to consider major issues, identify achievements and enable potential disputes to be resolved promptly. In addition, the project owner should lead the review of the findings from post project evaluations.

Annex B

Project Sponsor

The main tasks of the project sponsor include the following:

- Agree a statement of need and project objectives with the project owner. Co-ordinate and rationalise the requirements of all the end-users in developing the project definition, design brief, owner objectives and success criteria for the project;
- Contact Property Division to check if the requirement can be met from existing UK Government or Scottish Government estates;
- Put in place a clear written agreement for the management of a jointly funded project in consultation with legal, technical and finance advisers;
- Ensure a proper appraisal of the project. This will involve the commissioning of option appraisals, analysis of outcomes, and choice of the best option to ensure best value for money is obtained. It will include deciding on a strategy to transfer to the private sector those risks that it is better able to manage;
- Determine the procurement route. Ensure that the risks and benefits associated with different routes are fully identified, considered and evaluated and, in the case of mission critical or high risk projects, the evaluation and recommendations are presented to the responsible Minister for decision;
- Secure the appropriate authority for expenditure. This will involve developing the project with all necessary financial and other justification to that stage where it can be confidently submitted for approval. In a timely manner co-ordinate the necessary documentation and present for approval. Secure joint agreements with other funders;
- Undertake, with appropriate professional advice, the commissioning of those professional services required to implement the chosen procurement route. This may include obtaining tenders for professional design team services and the appointment of the selected consultants. In conjunction with the project manager ensure that these various groups are welded into a team motivated to meeting the success criteria of the project. Ensure that the roles, responsibilities and delegated financial (and other) authorities for each key member of the project team are clearly defined;
- In conjunction with the appointed project manager, ensure compliance with all relevant legislation and good practice, covering the procurement of supplies, services and construction works. Ensure compliance with all relevant legislation and guidance as set out in the Scottish Public Finance Manual, the Construction Manual and Health & Safety and other relevant legislation;

- With the assistance of the project manager prepare, and obtain approval from the project owner for a detailed, on-going project execution plan for the project;
- Ensure the installation and operation of a communication, control and monitoring system to inform management decisions throughout the life of the project. Ensure stringent costs, content and change control procedures are utilised during project execution (particularly by the project manager). This includes maintaining records for audit purposes, quality control, etc. If it becomes apparent that the project budget will require to be increased then authority should be obtained in good time;
- Be aware of tools available to improve cost-effectiveness of projects, such as risk assessment, in-project reviews, value engineering and life cycle/whole life costing and sustainability issues, and ensure that these tools are applied by the project manager;
- Monitor carefully through progress reports and review pro-actively project progress with the project manager, intervening as necessary through him whenever the project is perceived to deviate from the established plans (such as on cost, content, time and quality);
- Make promptly, or obtain, those decisions necessary to ensure that the project success criteria are attained. In particular, exert stringent, formal control over all decisions involving material variations and changes in scope to the currently approved project. Where such decisions affect project costs, standards, programme or content, ensure adequate justification is provided, and approval obtained from the project owner, or investment decision maker, where the effect of such changes exceeds his or her delegated authority. In the event that changes are approved, then ensure project budgets and programmes are adjusted accordingly;
- Where delegated power is given to the project manager and Design Team then the limits of such authority should be established and effective change control and monitoring procedures put in place to ensure adequate cost control is exercised;
- Ensure that satisfactory arrangements are established for financing the project to ensure that money is always available to meet timeously the demands of the project. Ensure systems are in place to enable all monies to be paid on due dates according to the terms of contract and in compliance with the policy on prompt payment;
- Ensure that any technical and financial audits of the project are implemented at the pre-planned strategic stages of project execution. Take any necessary corrective action resultant upon the findings of such audits;
- Plan the organisation and resources needed to execute both the pre-start up testing and the commissioning of the completed project. This may include participation in the selection and training of permanent operating staff and, in

close liaison with the project manager and end users, ensuring appropriate commissioning of facilities;

- With the project manager, review the handover documentation and operating instructions requirements of the client organisation and ensure these are prepared and delivered on schedule;
- Ensure the production of all post completion reports analysing the procurement process and the end product, noting whether the project has met the brief and all users' requirements. All lessons learnt should be shared among interested parties in order to inform future project planning; and
- In the light of experience with the project, draw the attention of senior management to any weaknesses in policies, procedures and methods in respect of capital projects. Define where they need modification to better permit utilisation of efficient project execution techniques, justify these modifications to senior management and, on approval, implement where appropriate.