

**LESSONS FOR THE SPONSORSHIP OF MAJOR PROJECTS**

**Project lifecycle stages**

Governance pillars

	Design stage (A)	Construction stage (B)	Commissioning stage (C)	Operations stage (D)
<p><b>Accountability (1)</b></p> <p>Defines accountability for meeting the project's objectives and allocating the risk to those objectives.</p>	<p><b>A1.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Departments should maintain clear distinctions between their sponsor, customer, funder and shareholder functions. Departments should retain oversight but allow the delivery organisation to earn its autonomy to do its job, particularly after the joint endeavour of the design stage concludes.</p> <p><b>A1.2</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Ensure clear organisational accountability for systems integration at the outset with a suitably capable and empowered organisation with the right to direct the integration activities of all relevant organisations. Ensure there is an empowered authority overseeing an integration strategy and progressive test plan.</p>	<p><b>B1.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Multi-party sponsorship may be required to protect the interests of separate funders. Carefully designed arrangements can provide effective oversight and challenge but can be more difficult to establish and operate. Guard against diluted accountability and ensure relationships and behaviours can sustain a collegiate approach when issues emerge.</p> <p><b>B1.2</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Decision makers need to take decisive action when evidence indicates that schedule or cost tolerances will be breached. Assumptions that adverse trends can be recovered or that further analysis will uncover better news are normally unrealistic and they should instead treat the project as being in exception until it is recovered, re-base lined or closed.</p>	<p><b>C1.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Ensure there is a single organisation accountable for the go/no-go decision to enter service and that it communicates the point of no safe return. Focus the go/no-go decision on protecting current end-users. Ensure that all relevant parties can contribute to the go/no-go decision using pre-agreed readiness criteria.</p>	
<p><b>Authority (2)</b></p> <p>Provides for effective decision-making and assigns authority to make decisions and commitments.</p>	<p><b>A2.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>The Board of the delivery organisation should be the primary means of ensuring that its major projects are delivered once underway. Ensure that some Board members have relevant project skills and experience and are charged explicitly through the Chair with challenging confidence in the strategic delivery risks. Evolve the Board to bring in fresh perspectives.</p> <p><b>A2.2</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Early in the project define control gates and the objective criteria to determine whether they should be passed, including benefits, affordability, and value for money. Decision makers must be rigorous and make objective judgements on whether the criteria are met and, if not, they should conduct a strategic review of scope, schedule and consider potential cancellation.</p>	<p><b>B2.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Maintain an ongoing focus on benefits as well as cost and timescale. Adopt a benefits-led approach to decision-making in order to protect direct and indirect benefits, for example if emergent cost pressures threaten scope. Develop close working with other Departments where indirect benefits require aligned policies and plans due to split accountabilities.</p> <p><b>B2.2</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Establish integrated plans that join up activities across Department boundaries to achieve timely approval at control gates, policy clearance, and support for the delivery of wider benefits. Ensure that dependencies from the sponsor and other organisations are tracked and fulfilled in support of the delivery organisation.</p>	<p><b>C2.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Collect and review cost data across government and use cross-sectoral and international comparisons for common cost items. Challenge the delivery organisation and its supply chain to evidence their cost estimates. Ensure this evidence employs both top-down and bottom up benchmarking to test value for money.</p>	
<p><b>Alignment (3)</b></p> <p>Maintains alignment between corporate strategy/objectives and those of the project.</p>	<p><b>A3.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Evolve the sponsorship role over the project lifecycle. Ensure governance and reporting structures, oversight and the capabilities of the delivery organisation adapt ahead of the next stage to ensure the required capability and capacity. Be prepared to assist the delivery organisation if it is facing challenges but do not duplicate roles or blur accountability.</p> <p><b>A3.2</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Sponsors should consider the scale and complexity of their plans and develop a feasible and affordable scope with the delivery organisation based on a commonly understood set of requirements. Hold steady scope, requirements and the funding envelope to provide a stable environment within which successful outcomes can be achieved.</p>	<p><b>B3.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Reduce systems integration risk by limiting complexity. Ensure that the delivery organisation's commercial model packages systems work in a way that reduces systems integration risk, incentivises suppliers to work collaboratively across contract boundaries, and manages contentions for skilled integration resources.</p> <p><b>B3.2</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Invest in building good relationships between the sponsor, delivery organisation and its principal suppliers. Trust, confidence, and open communications are essential in pre-empting strategic risks by avoiding misperceptions, coming to a shared view of the extent of challenges, and collectively agreeing the right corrective action.</p>	<p><b>C3.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Make a conservative provision for the duration of the test phase as issues that emerge can require a wide range of fix times. Undertake progressive testing where possible to avoid late emerging defects. Resist the tendency to compress the test phase against a fixed in-service date when preceding phases are delayed and instead review the in-service date.</p> <p><b>C3.2</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Prepare in advance explicit and documented contingency plans for the more significant adverse events that could arise and review these for each phase. They should include the safest alternate plan if a "no-go" decision is taken at the point of commissioning and it becomes necessary to minimise impact on both the project and on wider operational services.</p>	<p><b>D3.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>In tightly coupled systems manage all major projects as a single portfolio using a properly resourced and empowered portfolio office. Monitor the total amount of change planned, the risk of combined impacts on the operational service, and the consequential impacts of potential issues on end-users and dependent projects.</p> <p><b>D3.2</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Recognise that the introduction of a major new capability may have initial operational issues however good the planning and testing. Plan for the worst internally and communicate on the basis that disruption may occur, including with end-users, and prepare resilient recovery plans.</p>
<p><b>Disclosure (4)</b></p> <p>Defines the disclosure of information required to assure stakeholders that the project is set to meet its objectives, or inform corrective action if not.</p>	<p><b>A4.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Avoid setting a committed in-service date before there is positive evidence that it is realistically achievable. Caveat dates as provisional and use a range showing the best case and worse case dates. Report progress using standardised percentage confidence indicators against the optimistic, central point and backstop in-service dates.</p> <p><b>A4.2</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Establish a full cost envelope based on reference class data and benchmarking and include adjustments for optimism bias. Identify explicit de-scoping options in case early affordability issues emerge after supplier prices become available. Report projected outturn costs with percentage confidence indicators against the target cost and total budget envelope.</p>	<p><b>B4.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Behavioural traits make it hard to make objective judgements about delivery confidence. Foster a culture of transparency and early warning supported by progress reporting focused on cost and schedule variance. Triangulate views and maintain a healthy scepticism whilst checking back to real world evidence.</p> <p><b>B4.2</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Target independent assurance on the primary strategic risks to benefits, schedule, cost, commercial strategy and systems integration through an integrated assurance plan to improve confidence in key decisions. Interpret assurance opinions carefully, avoid assurance for its own sake, and recognise that assurance cannot eliminate risk or replace careful judgment.</p>	<p><b>C4.1</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Ensure lessons identified in other major projects are reviewed at the design stage and ahead of each stage transition to ensure strategies and approaches that actively address the principal recurring issues. Make sure the main project successes and failures are captured soon after they occur so that they are available for other project leaders to consider.</p> <p><b>C4.2</b> Design stage Construction stage Commissioning stage Operations stage</p> <p>Control schedule risk with the same discipline as cost risk. Consider controlling primary milestones and some schedule contingency at the Departmental level. Ensure reporting provides confidence indicators against the primary milestones and against the remaining contingency. Communicate schedule risks to dependent projects early and automatically.</p>	<p><b>Categorisation of lessons by theme</b></p> <ul style="list-style-type: none"> <li>Accountability must be unambiguous</li> <li>Behaviour matters more than process</li> <li>Control schedule and benefits as well as costs</li> <li>Deal with systems integration</li> <li>Enter service cautiously</li> </ul>