

Fit for future sponsorship

Highlights

Highlights from the Major
Projects Association event
held on 13th June 2023

'Organisations with active project sponsors are more likely to have better project outcomes.'

Project Management Institute (2013) quoted by Prof Carl Gavin, Alliance Manchester Business School

'A sponsoring organisation has to know the outcomes it wants to achieve.'

Nour Sidawi, Commercial Lead, Ministry of Justice

David Hughes, Director General of Rail Infrastructure at the Department for Transport, opened the seminar by noting that the Major Projects Association's most recent event on this topic was titled **The sponsor – one of the most misunderstood roles in major projects**. The fact that this still rang true was a good reason to revisit the topic. He argued that in everyday language sponsorship can sound rather hands-off, for example when we sponsor a colleague to run a marathon. In the major projects context, however, sponsorship is a proactive activity that sits at the apex of the project ecosystem and is vital for ensuring that projects deliver the outcomes funders and users expect from them.

Who is the sponsor and what do they do?

Professor Carl Gavin of Alliance Manchester Business School provided a summary of his literature review on the role of the project sponsor which the Association has commissioned. This reinforced the ambiguity and misunderstanding highlighted in David's introduction.

The study found that unlike other important functions within major projects, there is no standard model capturing the role of the sponsor.

Instead, the literature is an evolving muddle with different responsibilities ascribed to the sponsor, disagreement as to whether the sponsor is an individual or a function, and conflation and duplication with roles inside the client, owner and operator organisations.

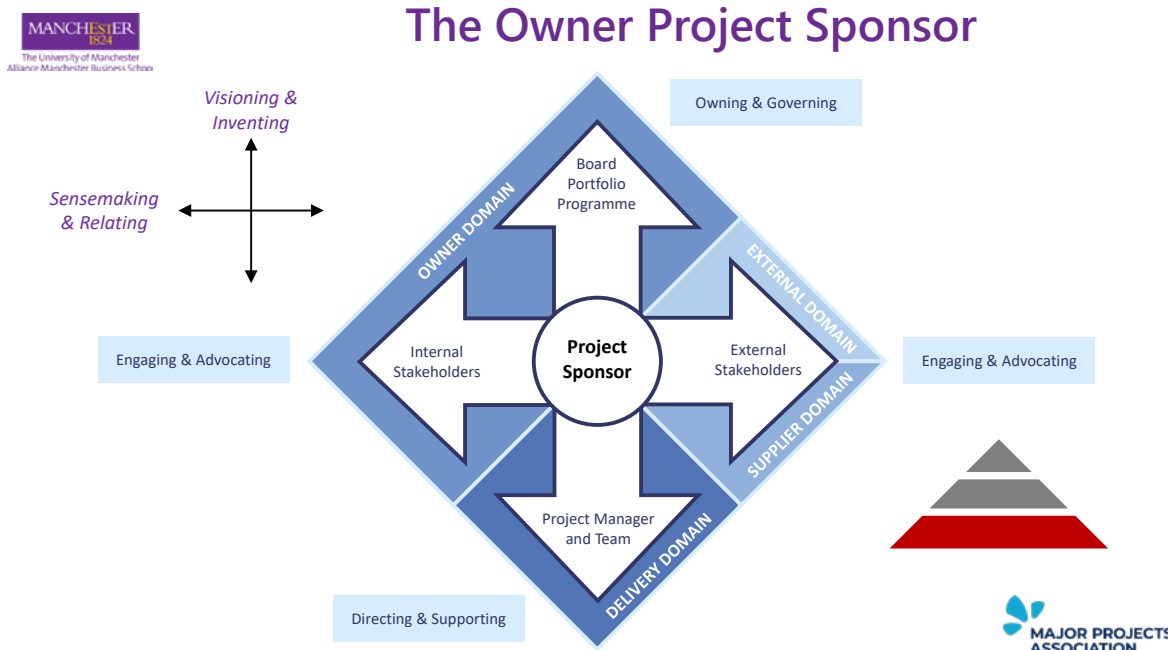
As a first step towards untangling this muddle Carl offered his own model, derived from his study. (See figure below.)

This variety of understanding of the sponsor role was illustrated by presentations from Transport for London (TfL), Sellafield, and the Infrastructure and Projects Authority (IPA).

Richard Zavitz of TfL described how the organisation has created a 200-person strong corporate sponsorship function that treats sponsorship as a professional discipline. Staff benefit from a career development structure that defines capabilities required at different levels (Lead, Principal, Head, Director etc).

In stark contrast, Jenifer Carruthers of Sellafield described herself as an 'accidental sponsor'. A recent project had been to lead a pre-operations team to ensure that the outputs from the £750m Evaporator D project was seamlessly integrated into Sellafield's operations. She was aware that Sellafield has struggled with transition to operations on previous projects, and that a functioning Evaporator to deal with radioactive liquors was critical to business continuity.

Jenifer located herself alongside the project manager and offered herself up as a source of help. Over time she took on several key roles including subject matter expert and owner of the safety case for the asset.



Professor Carl Gavin, Professor of Project Management, Alliance Manchester Business School

She also became the main conduit between the project and the organisation, helping it articulate its case for funds and manage relations with internal and external stakeholders. Sellafield is now introducing the senior responsible owner (SRO) role for future projects.

'I was able to understand and articulate the risks that the project posed to the business in a way that the project itself couldn't.'

Jenifer Carruthers, Head of Site Management Project Office, Sellafield Ltd

Owen Kennedy of the IPA explained that, traditionally, central government has avoided using the term 'sponsor', instead focusing its efforts on developing and supporting SROs and their project teams. This is due to the many interpretations and definitions of what a sponsor is, with government needing clarity on named accountability and ownership for the delivery of projects, including directly to Parliament for those in the government major projects portfolio. The IPA is now however introducing the concept of the sponsoring body to recognise that there is a role for government organisations to provide consistent oversight, authority and support to SROs.

Sponsors and the big challenges – net zero

Satish Luhar of The Nichols Group stressed that while the UK has a good record at establishing net zero ambition and creating high-level policy, delivery was lagging behind the scale and pace required. He was developing a set of ideas for how a sponsorship approach could help accelerate action. In his emerging model, the Department for Energy Security & Net Zero would act as the 'customer' for decarbonisation outputs on an economy-wide level, while individual departments would take a more traditional sponsorship role, acting as a bridge between the client and public and private sector delivery bodies.

Building on the theme of government as an active sponsor, Freda Quinlan of Ireland's National Transport Authority explained that as a relatively small and young country, opening up to the world was important for embedding sustainability into its capital programmes. Her team was actively engaging with businesses and governments globally, with a view to importing practices and building supply chain resilience.

She was particularly keen to look closely at the investment appraisal process to ensure policy objectives like net zero are given sufficient weight.

Melissa Giusti of National Highways explained how in her role as the sponsor of the National Highways (NH) **Accelerating Low Carbon Innovation programme** she was also looking to stimulate supply chain engagement with the organisation's decarbonisation ambitions. NH is seeking to pull through scalable innovation in areas such as alternative materials and the circular economy, via a collaborative framework offering access to funds, coaching, networking and technical support. Melissa also has a role in championing the outputs to colleagues inside NH.

Hayley Fails sponsored the creation of high-quality walking and cycling infrastructure for HS2. She explained that in order to widen the benefits delivered by HS2 she had to navigate barriers and go beyond the brief. Improvements to active travel provision were not part of the original scheme benefits nor built into contracts. It was therefore important to create a strong link between her work and wider policy, alongside demonstrating its contribution to the existing benefit set. Other lessons included the importance of the support of an executive sponsor, building an expert team, and proactive stakeholder management, particularly with potential long-term owners and operators of the infrastructure.

Sponsors and the big challenges – social value

Sarah Rial of Jacobs emphasised the importance of outcomes-led thinking in maximising the social value delivered by major projects. The **Transpennine Route Upgrade (TRU) project** has shifted its focus from outcomes such as journey time savings to outputs, for example levelling up. This creates space to commit time to identifying opportunities for delivering social value through the project life cycle. All levers – procurement, contracts, incentivisation, stakeholder partnerships – should be deployed to realise both the inherent benefits captured in the business case and additional benefits to be delivered to communities. TRU have identified a potential £4.2bn of these additional benefits.

'If a sponsoring organisation is only thinking about social value in terms of asking questions in procurement, you are massively limiting the positive impact you can deliver.'

Sarah Rial, Social Value Delivery Lead, Jacobs

‘The whole role of the sponsor is to increase the chance of success. But to do that, you need to know what success looks like. You need to know what your outcomes are and what you’re fighting for, because they do look vastly different depending on what you are delivering.’

Sarah Jane Crawford, Principal Programme Sponsor, Network Rail Ltd

Nour Sidawi of the Ministry of Justice (MoJ) agreed with Sarah’s emphasis on focusing on outcomes. MoJ is using social value provisions in its construction programme to help ex-prisoners into employment – which it knows is crucial to its objective of reducing reoffending.

Nour stressed that to pursue this type of challenging goal, the organisation’s leadership must be absolutely clear what it wants to achieve and be willing to drive it from the top.

MoJ is now giving a 20% weighting on social value in relevant tenders, with ex-offender employment accounting for 10% of the assessment alone.

Leaders have also been willing to engage intensively with the MoJ’s ecosystem of suppliers and third sector partners to work through the practicalities of employing ex-offenders, for example replacing a blanket ban on people with criminal convictions working on the government estate with a system of individual vetting of applicants.

Securing outcomes was also central to Sarah Jane Crawford’s work at Network Rail. Describing the case study of the £160m **Beaulieu Park new station interchange**, Sarah Jane explained how her team has worked closely with Essex County Council, the project’s funders, to establish and promote outcomes aligned to the council’s economic development strategy. As with the Transpennine Route Upgrade example, a big part of the challenge was to shift attention from engineering outputs towards championing social and economic goals.

One simple example has been how the team has worked to protect the aspiration for three of the four retail units in the station to be filled by community businesses, and to accelerate the fit-out of these units to deliver value to the community as early as possible.

Finally, John Grinnell of the Euston Partnership drew the audience’s attention to the challenge of working in an environment with multiple sponsors with competing requirements. His role as a developer has included bringing these sponsors and the local community together to commit to a single Social Value Charter. This is intended to create a stable platform for securing improvements for the residents impacted by the construction of the new HS2 station at Euston and the redevelopment of the existing facility. The length of the project means these communities will be affected by up to two decades, so key to the approach is to establish a culture of monitoring and continuous improvement, including regular household surveys delivered within the local authority.

Points for further discussion

- How can the Major Projects Association help to clarify the role, responsibilities and interfaces of the sponsor?
- How can we improve our understanding of how the sponsor functions in different types of organisations (client, owner, operator, supply chain etc)?
- What support do sponsors need to help engineering-led organisations shift from a focus on outputs to outcomes?

Chair

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Participating organisations

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BAE Systems
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EY
Grant Thornton UK LLP
Healthcare Project & Change Association
HS2 Ltd
Infrastructure and Projects Authority
Jacobs
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