1 Identify: needs and benefits

Purpose

The purpose of the **Identify** stage of the life cycle is to ensure client needs are clearly understood and the high-level benefits for end users, society and funders are defined in measurable terms, documented and agreed by the client.

The eight Themes are applied in the Identify stage as listed below. It is recommended that information about their application is documented and shared with known project stakeholders, in an easily accessible repository.

- Agree principles and strategies for **quality**, including building safety. These should be based on client expectations and made available to known project stakeholders.
- Agree aims for **sustainability** based on legislation and client expectations.
- Agree desired socio-economic **values** ensuring the process of agreeing the value drivers with the client is documented.
- Agree strategy for innovation and **productivity** taking account of the market and available technologies, and ensure decisions are documented.
- Establish governance to create the environment for effective **leadership**, agree terms of reference and roles and responsibilities.
- Agree principles for **collaboration** and risk-sharing between the client and all contractors and consultants in the supply chain.
- Agree the purpose and scope of information as part of wider **knowledge** management.
- Express appetite and capacity for **risk** in measurable terms and identify risks to strategic, regulatory, commercial and reputational objectives. Establish a risk register.

Activities

The purpose and application of the themes is achieved through implementation of the following activities and creation of documented deliverables.

The list of activities does not represent a strict sequence of work but is indicative of a likely order. In practice, many activities will happen in parallel and with

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iteration in order to create the deliverables needed to approve progression to the next stage of the life cycle.

- A • Agree business opportunity and funding routes
- B • Confirm sponsor and governance arrangements
- C • Confirm client project manager
- D • Confirm key stakeholders and needs/high-level requirements
- E • Confirm any existing assets in scope
- F • Define measurable benefits
- G • Establish the information management approach
- H • Review past experiences and visit relevant benchmarks
- I • Document and approve project mandate
- J • Document and approve high-level business case
- K • Document and approve initial stakeholder analysis

A. **Agree business opportunity and funding routes**. The client is accountable and responsible for agreeing the business opportunities and identifying the available funding. The link between the organisational strategy or policy commitment and the statement of the business opportunities should be clear and reflective of the organisational context including any emergent risks or disruptive trends, for example to reflect organisational environmental policies including decarbonisation or recycling targets. In some contexts, the business opportunity and funding routes will be managed through a portfolio of projects, or a master programme. For example, a collection of projects associated with refurbishing assets within a water utility may be managed as a portfolio to ensure efficient use of resources, or a collection of projects to build new hospitals may be managed as a master programme to enable common design and build standards to be maintained and to ensure funding is targeted as a priority. Depending on the context, funding may be solely by the client, from reserves or borrowing, or may involve a consortium of funders and funding instruments.[1] An in-principle agreement on the opportunities and funding strategies, typically made by an investment or executive committee in the 'business as usual' organisation, triggers the project and the remaining activities in this stage.

B. **Confirm sponsor and governance arrangements**. The ultimate client stakeholder is accountable and responsible for appointing a person to the role of **client sponsor** and for agreeing governance arrangements, including (1) the organisation's appetite for risk[2] in relation to the project; (2) translation of the appetite for risk into delegated limits of authority for the client sponsor; (3) escalation routes for matters breaching delegated limits; and (4) assurance mechanisms to provide confidence to the client that the project is in control.[3] The client sponsor represents the client and has the delegated authority to make decisions on behalf of the organisation. Where the project

1 Guidance Note 1: Funding mechanisms
2 Guidance Note 2: Risk appetite and delegated limits of authority
3 Guidance Note 3: Assurance and the three lines model

will be funded by a single privately owned organisation, confirming governance arrangements may be relatively simple. Where the project has multiple funders or has public-sector investment, establishing sponsorship and governance will be more complex and take time to establish. Governance with associated terms of reference needs to be specified for the Identify and Assess stages of the life cycle. Governance arrangements for the stages of the life cycle where there will be significant capital investment are defined in the Define stage. These may be adjusted as the asset enters the Operate stage of the life cycle.

C. **Confirm client project manager**. The **client project manager** is the person who will take day-to-day responsibility for ensuring the project is planned and controlled in line with the ultimate client stakeholder requirements and governance arrangements. The client may appoint a member of staff or appoint a **consultant** or **contractor** to undertake this role. Where a consultant or contractor is chosen, the client project manager role must not be confused with other project management roles established to take responsibility for any part of the scope of work in line with a contract or contracts. It can be common for multiple people to have the title of project manager as part of a large project, for example the main contractor's project manager, or a consultant's project manager; however, it is the **client project manager** who has responsibility throughout the project life cycle, administering any contracts associated with the project through to the cessation of commissioning and contract end, including any claims or dispute resolution. This will extend beyond the physical handover of the asset to the **operator**. Depending on the complexity of the project or framework of projects, there are multiple options for the contractual procurement route and design of the project organisation and the use of internal and external expertise across the life cycle.[4]

D. **Confirm key stakeholders and needs/high-level requirements.** The **client sponsor** is responsible for ensuring key stakeholders are identified, including representative **end users** and **operators** who must provide input to the definition of needs and how these are expressed as high-level requirements for the project. The client's project manager appointment should include responsibilities to assist with the identification and management of stakeholder engagement. Where there is no opportunity to engage representative end users or the operator, the client sponsor should seek advice from third parties with relevant expertise, for example a champion with specialist facilities management expertise. It is vital at this stage representative end users and other influential external stakeholders have the opportunity to influence thinking. Depending on the asset to be built, refurbished or improved, this will include planning authorities at local and potentially national levels and regulators and related stakeholders relevant to consenting beyond planning approvals.[5] Stakeholder analysis and mapping[6] needs to ensure all individuals or groups with the potential to help or challenge the project are considered. These may include local communities, heritage and

[4] Guidance Note 4: Design of the project organisation
[5] Guidance Note 5: Consenting considerations
[6] Guidance Note 6: Stakeholder analysis and mapping

conservation bodies, tenant associations, elected politicians and a range of other interested parties. Understanding the needs/high-level requirements of key stakeholders must include a consideration of each Theme to ensure the project accounts for all relevant drivers of value early: the quality principles to be applied, aims for sustainability, the socio-economic value required, the drivers to innovate, the need for productivity, lessons to be learned from previous projects and experiences, and how leadership will ensure appropriate collaboration and risk-taking across the supply chain.

E. **Confirm any existing assets in scope.** The **client project manager** is responsible for confirming assumptions about the high-level scope of the project. This will include consideration of which existing assets are in scope for this project. Some projects may be associated with 'green-field' sites. Projects may involve a mix of works to demolish and/or dispose, re-cycle and/or re-purpose, as well as creating new assets, for example a project to create a new school may need to demolish buildings on an existing site before or after new facilities can be built, as well as re-purpose other existing assets. All existing assets in scope need to be identified, with the **operator** of existing assets providing essential input. Engagement with external stakeholders with authority with respect to listed buildings, heritage sites and associated planning conditions is important at this stage to validate assumptions to be included in the high-level business case.

F. **Define measurable benefits.** Investments in projects in the built environment are justified by the benefits they create for the client, their funders, the end users of the asset and the wider society in which the built asset or infrastructure will exist. Benefits are the measurable improvement resulting from achievement of an outcome – these are the quantified expression of value created by the project, for example financial return, improved satisfaction with living conditions, reduced carbon footprint or contribution to a government policy to provide jobs in a certain region. Robust quantification of benefits is required to ensure the business case for the project does not mislead decision-makers and key to this activity is mapping the route to benefits[7], defining the measures to be used to establish the baseline and tracking the realisation of benefits over time.[8] This is critical at outset as it would be wasteful to continue to work on the project if there was no business case, and because benefits data should be available from the operator of any existing assets in scope. The accountability for this activity is with the **client sponsor**; however, they may delegate responsibility to the **client project manager** to work closely with the **operator** and **end users** where possible, and to provide the information to the client sponsor for approval. The **client project manager** may appoint specialist consultants to assist with this work.

G. **Establish the information management approach.** The **client sponsor**, along with the need to confirm high-level requirements, is responsible for defining the purpose and scope of information management on behalf of all project stakeholders. The **end user and/or operator** is a key stakeholder associated with this activity as they will be accountable for the realisation of project benefits in the Operate stage. Considering Soft Landings[9], and

[7] Guidance Note 7: Benefit mapping
[8] Guidance Note 8: Benefit measurement and realisation
[9] Guidance Note 9: Soft landings framework

guided by the BS EN ISO 19650 series of standards[10], the **client sponsor** must make the purpose and scope of information management clear at this early stage of the project to ensure adequate provision is made for resourcing this need, as well as for the physical creation of the asset. This will include ensuring all appointed consultants are aware of all decisions relevant to their scope of work. BS EN ISO 19650-2 includes a series of activities to be completed by the client before any project-specific appointments are made to ensure the client is ready to oversee the information management process and has the appropriate documentation, tools and processes in place. Establishing the information management approach is wide ranging and includes establishing or reviewing all corporate or project-wide information management resources. These include organisational, asset and project information requirements (the OIR, AIR and PIR), as well as the project information standards, existing reference information and the project technology solutions for managing and retaining information. For example, existing information for a new building on a site already occupied by the client could include the site boundary plan and the ground investigation reports from previous projects.

H. **Review past experiences and visit relevant benchmarks.** In the Built Environment, few projects are entirely unique and learning from others is critical. The client may be a mature project organisation, such as one funded by a government to manage a strategic road network, or a private limited company involved in house building. Here, the organisation should have a wealth of knowledge to draw upon when shaping new projects. Less mature clients, for example a SME (Small-Medium enterprise) embarking on creating a manufacturing facility, for the first time may not have this knowledge internally but will benefit from engaging with other bodies who can help them to learn and avoid common pitfalls. This applies to the design and construction, and also the operation, maintenance and eventual retirement of assets.

I. **Document and approve project mandate.** The **client project manager** is responsible for documenting the project mandate[11], bringing together information on the business opportunity, funding, governance arrangements, the expression of needs and high-level requirements, the information purpose and scope, information about existing assets in scope and the high-level benefits of the project. The project mandate is a key input to the high-level business case and provides the single description of the project. At this stage of the project, the project mandate should outline any assumptions, planning approvals forthcoming or timeframes, for example the need to meet a particular opening date for a school, shopping mall or sporting venue. The project mandate is one of the critical deliverables to be approved by the **client sponsor** and wider governance at the stage-gate review, which triggers approval to move to the Assess stage. It forms the basis for the *project brief* in the next stage, and in time the *project execution plan*.

J. **Document and approve high-level business case.** The high-level business case should include a full appraisal and analysis of the various potential options with detailed recommendations. This document should be distributed and approved by all relevant project stakeholders. The approved high-level

[10] Guidance Note 10: Information management based on the BS EN ISO 19650 series of standards
[11] Guidance Note 11: Project mandate indicative content

business case is the formal document used to initiate the project delivery and should provide recommendations for procurement and contractual arrangements. The responsibility for this activity is with the **client sponsor**.

The term 'high-level' business case is used here; however, there may be alternative descriptors depending on the client organisation, for example strategic outline business case (SOBC). A business case needs to bring together the rationale and justification for the project. The financial case (investment appraisal[12]) determines affordability and the return on investment by analysing benefits, whole-life costs and associated risks. Non-financial aspects of the business case also need to be included, for example benefits such as reduced carbon footprint and/or social impact will be measured in non-financial terms but are nevertheless part of the internal and external justification for investment.[13]

Typical risks relevant at this stage of the project may include land ownership or feasibility of envisaged construction methods. At this stage of the project, it would be typical for estimates of benefits and costs to be 'order of magnitude' (class 5) estimates.[14] The level of definition would be approximately 10% and with a typical accuracy of –50/+100%. The client project manager may engage specialist consultants, for example architects or quantity surveyors to support the estimation process. Client organisations and funders will have different requirements for preparation of the business case and practitioners must align their work with the client requirements.

K. **Document and approve initial stakeholder analysis.** The **client project manager** is responsible for capturing known information regarding stakeholders, their opinions and anticipated influence and involvement in the project. It is imperative clear, concise and manageable terms of reference are established and approved to clarify the roles and responsibilities of all project stakeholders. Many techniques may be used to capture and represent such information, for example using a matrix or flow or bubble charts to illustrate likely stakeholder influence relative to their interest in how/when the asset is built, or a graphic to represent the network/connections between each identified stakeholder (see Guidance Note 6). The purpose is to be clear, before approval to move to the Assess stage, as to the individuals and groups who may have a significant impact on the project because (1) they are influential and may impact decisions and progress and (2) their views and behaviours may impact the realisation of benefits. This is a collaborative activity and the **client project manager** is responsible for capturing the views of representative **end users**, **operator(s)**, funders, regulators and influential internal and external groups. Specific stakeholders will clearly vary depending on the project and client in question. For example, in a complex, multi-investor infrastructure project such as a major rail or road scheme, stakeholder analysis will consider parties impacted by compulsory purchase orders and the political agenda of local councillors or members of parliament. Whereas a project concerned with refurbishing a retail outlet housed within a listed building will consider parties with regulatory influence, as well as brand and service-related requirements of the client.

[12] Guidance Note 12: Investment appraisal
[13] Guidance Note 13: Business case
[14] Guidance Note 14: Estimating

Decisions

Before approving the project to move on from this stage, the defined decision-makers and the governance board, are required to confirm:

1. Needs of key stakeholders are clearly defined in writing to enable clarity of understanding between the participants of the vision and high-level strategy for the development and use of the asset. For some organisations this information may be informed by definition of a wider portfolio or programme.
2. Any existing assets to be modified or retired by this new project – whether in whole or in part, with a full appraisal or detailed recommendations prepared by the project manager.
3. The purpose and scope of information required to support the development and use of the physical asset.
4. Client sponsorship and governance are in place. This should include a clear organogram of governance levels and hierarchy, combined with a responsibility matrix.
5. Funding is in place for the next stage with a clear line of sight of how the whole project will be funded. The funding documentation, including heads of terms between contracted entities, should be clearly defined and agreed.
6. Known external dependencies, constraints and risks in the wider context, should be listed, defined, validated and represented in the high-level business case, including matters related to planning consents.
7. Deliverables adequately address each of the defined Themes.
   (a) The principles and strategy for **quality**, including building safety, are clear and agreed and incorporated into the Project Execution Plan.
   (b) The high-level impact of the project on the environment is understood and **sustainability** aims and goals are clear, agreed, recorded and meet with national and local governmental and corporate objectives.
   (c) The desired socio-economic **value** is agreed and recorded.
   (d) Innovation strategy and **productivity** requirements are agreed and recorded, taking account of the market and available technologies, the project manager should be aware of future potential innovations and their impact on the programme of work.
   (e) Structure and approved governance will enable the context and culture for effective **leadership.**
   (f) The principles for **collaboration** and risk-sharing between the client and all consultants and contractors and the wider supply chain are clear, agreed and documented.
   (g) The purpose and scope of information management as part of wider **knowledge** management are clear, agreed and documented.
   (h) The appetite and capacity for risk is expressed in measurable terms. Risks to strategic, regulatory, commercial and reputational objectives are identified and documented.

The scope of work for the Assess stage is understood and a suitably competent and experienced team is in place to do this work (see Guidance Note 4), for example consultants who can support environmental impact assessments or representatives of the operator to ensure the chosen solution sufficiently consider operability, maintenance and whole-life costings.