



Over the years, the Bank of Ireland has been highly visible in giving financial backing to many leading building projects. It does not, however, put money into ventures without first ensuring that a full appraisal of developers' plans, budget costs and a due diligence process is in place. This function is conducted on our behalf by dedicated project monitoring teams that we instruct to do the job. They will track all major project variables such as cost, time, scope and quality.

Specialists in this field are CRGP, a company of architects and surveyors, who have worked with us on many projects and who are currently undertaking a series of seminars at some of our branches across the country. The purpose of these has been to help bank personnel understand the implications that surround the whole project monitoring process and for experienced staff to be kept informed of changes in legislation.

Bob Turnbull and Alan Stewart, directors of CRGP, are both vastly experienced in this sector and in their presentations have gone through the various stages of project monitoring from pre-contract to post-contract.

"We explain the whole process from the beginning," says Bob, "from the point where the bank wants to lend money and a developer wants to borrow money. The object is for a successful project and that is where we ensure with due diligence that the developer has put in place all the critical aspects that make a profitable project."

However, the experience that CRGP has is not wholly for the benefit of financial institutions and the company has also been engaged by a variety of developers to ensure that they too have a successful project. Being able to view a proposed development from all perspectives is clearly a huge benefit, but elementary to its success is the need for teamwork and effective communication. This is where the experienced project monitor will introduce a clear and positive attitude among those involved so that the best results are obtained.

Bob Turnbull stresses the importance of a co-ordinated approach, while understanding the particular aims of those involved: "We are often called in by the bank before a site is purchased so that we can make an appraisal of what is planned. A developer might say that it is going to cost £2m to build a warehouse, business unit or block of flats and forecast that the finished buildings will be worth £4m. It is our job to ensure that the cost structure is accurate and that all the relevant cost headings have been accounted for so that an accurate profit margin can be calculated."

In essence what CRGP presents to the bank is a document that outlines whether a project is viable. If there appears to be grey areas such as the condition of the ground, the due diligence process will highlight the requirements to ensure a successful venture.

The due diligence process is also employed when building contracts are awarded as Alan Stewart explains: "Invariably the people we are monitoring for the banks are builder developers but in the case where a developer employs contractors to do the work it is important that we monitor what the procurement process is, how they are obtaining tenders and how they are tying them up legally."

It is important at this point for a solicitor to examine the contracts to ensure that aspects such as warranties can be obtained through the agreement. Current standard forms do not permit this although recently introduced contract forms are recognising third party rights, which could eliminate collateral warranties.

Once the work starts on site, the project monitor's reference document is the initial report, which covers the pre-contract issues. This is used to ensure the developer has provided any outstanding information such as insurances. If any of these are not forthcoming, the funding will be placed in jeopardy.

Throughout the period of the contract, the project monitor will constantly check time, cost and quality. Monthly reports are sent to the bank and these will provide an update on how the job is progressing. It will also identify any problem areas or if there are likely to be additional costs.

Where appropriate (in a residential development), the project monitor will request to see the NHBC record book so that entries relating to quality can be examined. Enquiries about sales progress will also form part of the report as will the amount of money that is to be paid by the bank to the developer.

## The Role of the Project Monitor

### Keeping an Eye on How the Money is Spent



CRGP is at the forefront in advising on all matters relating to construction and development projects. Its service is tuned to the needs of financiers, developers and end users of a property by its dedicated in-house teams. They ensure that the design, construction and delivery of a project meets with its clients' requirements.

As part of its facility to financial institutions, Bob Turnbull and Alan Stewart hold themselves available to managers for advice on any aspects of the development process.



The King's Gait site at Cambuslang, Glasgow will have more than 100 apartments when completed.  
The Bank of Ireland financed this project, which cost £7m

---

Architecture, Building Surveying, Cost Consultancy, CDM Co-ordination, Project Management, Project Monitoring, Quantity Surveying

---