

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Operational	Be entirely within Cabinet's powers to decide	YES	
		Need to be recommendations to Council	NO	
		Is it a Key Decision	NO	
Lead Member: Cllr Brian Long E-mail: cllr.brian.long@west-norfolk.gov.uk		Other Cabinet Members consulted: Cabinet		
		Other Members consulted:		
Lead Officer: Ray Harding (Chief Executive) E-mail: ray.harding@west-norfolk.gov.uk Direct Dial: 01553 616245		Other Officers consulted: Management Team		
Financial Implications	Policy/Personnel Implications	Statutory Implications	Equal Impact Assessment	Risk Management Implications
NO	YES	YES	NO	YES

Date of meeting: 18 June 2019

MAJOR PROJECTS WITHIN THE BOROUGH COUNCIL

Summary

This report provides Members with an overview of the way that Major Projects are managed and monitored within the borough council and proposes a new Major Projects Member Board to ensure rigorous oversight of the process.

Recommendation

1. That Cabinet approves the process in place for managing and monitoring Major Projects
2. That a new Major Projects Member Board is established. The Member Board will consist of 7 elected members as shown at 2.9 within this report

Reason for Decision

To provide assurance that the council's major projects programme is run in accordance with the Major Projects (Officer) Board¹ Terms of Reference.

1. Background

- 1.1 The Borough Council continues to face significant financial pressures due to reductions in Revenue Support Grant along with greater volatility in income streams, particularly business rates.
- 1.2 To help meet these challenges, a decision was taken in 2016, as part of the Financial Sustainability Plan, to focus not only on achieving revenue cost reductions, but also to identify capital investment

¹ An officer Board, consisting of Executive Directors and representatives from Property Services, Legal, Planning and Finance

opportunities to maximize the use of the council's assets and generate a revenue return, in excess of that achieved from traditional banking investments.

- 1.3 The proposed capital investment focus will help to promote new housing and commercial premises development and drive an increased council tax base, new homes bonus, increased business rates and will help promote local economic activity and business growth. Delivery of new and ongoing revenue streams are key in containing costs and generating additional income as the Council moves towards a position of funding based on locally generated resources.
- 1.4 In addition to the above, some of the council's Major Projects will help bring forward sites for sale and the capital receipts generated will reduce the council's borrowing position.
- 1.5 The borough council has an existing programme of projects that are identified within the approved Capital Programme. In addition to this, there are many other projects that are being worked on by a variety of officers, some are operational (e.g. replacing boilers) and are largely "internal", quickly delivered, or do not involve large sums of money. These types of projects are 'everyday' in an organization the size of the council.
- 1.6 However, other projects, outside of largely operational scope, need additional focus particularly as one of the council's main funding sources, Revenue Support Grant (RSG) is being phased out by Central Government by 2021. This report aims to explain what has already been put into place, and proposes a new member group to provide an appropriate level of oversight.
- 1.7 Projects which are defined as schemes that
 - are not primarily operational but deliver new or enhanced facilities or generate new or additional revenue;
 - can involve partnership working and external funding;
 - are delivered over a period in excess of 12 months;
 - include a key decision with a budget of £250,000 or more²

have been pulled together into a programme, known as Major Projects. Pulling the projects together has highlighted the scale of the Council's ambitions and the potential impact both upon its finances and existing staff resources.

² Definition taken from the Capital Strategy

1.8 With such an expansive programme of projects it is necessary to put in place a rigorous appropriate framework to manage deliverability, finances, and expectations.

2. Major Projects Boards – Officer Board and Member Board

2.1 Council projects of varying size have historically been reported through to the team of Executive Directors via the weekly Management Team meeting. The Management Team meetings tend to have a wide-ranging, extensive agenda.

2.2 It has been identified that there are, due to the decision to focus on capital investment opportunities, a significant volume of projects that need to be assessed, managed and monitored. The Major Project Board has therefore been set up, outside of the usual weekly Management Team meetings, in order for Management Team to adequately deal with this important work stream. The Board comprises of all Executive Directors and also has senior representatives from Legal, Finance, Property and Planning so that relevant disciplines can input to the projects and process at an early stage.

2.3 Minutes of the Board will be provided to Management Team at the earliest possible opportunity within the usual weekly timeframe of Management Team meetings for agreement.

2.4 In making decisions, the Major Projects (Officer) Board is expected to take a number of factors into consideration in its evaluation, including, but not limited to: technical feasibility, impact on overall borrowing, resources, timelines and cost/benefit. The benefits may not be purely financial, due to the ‘place shaping’ role of the Borough Council.

2.5 The Terms of Reference for the Major Project (Officer) Board are attached at Appendix A. The Terms of Reference contain many points that have emanated from the lessons learned review of the King’s Lynn Innovation Centre (KLIC) project. In summary the following process will be adopted:

Step	Major Projects Officer Board	Management Team	Major Projects Member Board
Initial ideas considered by Major Projects Officer Board	Major Project Board agrees (or otherwise) the merits of developing the idea further	Project Board decision sanctioned by Management Team	See 2.7 below
Ideas to be translated into a	Major Project Board proposes to progress the	Project Board decision	See 2.7 below

Project Brief	project further – or not	sanctioned by Management Team	
Project Initiation Document developed. Will include information on business case, budget, timescales, tolerances and variations, and a 'compliance checklist'	Major Project Officer Board reviews PID and comments taken into account. Agrees to develop PID	Project Board decision sanctioned by Management Team	See 2.7 below
Project delivery phase – regular monitoring by exception, including risk issues	Programme Monitoring – progress will be monitored by the Major Projects Officer Board by exception, using a RAG+BW rating (shown at Appendix A). Detail will be given on individual projects, on an exception basis, as / when appropriate.	Monitoring reviewed by Management Team	See 2.7 below
Monitoring of risk	Individual projects will have a Risk Register, an overall Risk Register will also be run for the overall programme, picking up on issues that are cross-cutting or of significant potential impact to the programme. The programme will be linked into the existing Corporate Risk Register process.	Monitoring reviewed by Management Team and joined up with Corporate Risk Register	See 2.7 below
Project completion and lessons learned	Project review will be an ongoing effort throughout the life of each project. At the end of each, a "Lessons Learned" process will be undertaken and reported to the Project Board.	Project Board views reviewed by Management Team and ensured that lessons learned are taken forward	See 2.7 below

- 2.6 It is proposed to establish a Major Projects Member Board. The Board will, subject to statutory provisions, operate on behalf of the Council to provide assurance that the Council's Major Projects Programme is run in accordance with the Major Projects Officer Board Terms of Reference (Appendix A).
- 2.7 The Major Projects Member Board proposed Terms of Reference are attached at Appendix B.
- 2.8 The Member Board proposed will consist of 7 elected members as shown below, subject to proportionality considerations.

Group members:	Number
• Chair of the Audit Committee	1
• Chairman of the Regeneration and Environment Panel (Policy Review and Development Panel)	1
• Leader of the Council	1
• 1 other Portfolio Holder	1
• Representative(s) from other political groups ³	3
TOTAL	7

- 2.9 The full process, including detail on where Panels and Cabinet input and oversee the programme is contained in the overview chart shown at Appendix C.

3. Options Considered

- 3.1 The proposal for a Major Projects Member Board has been developed following lessons learned from recent reviews and audits.

4. Policy Implications

- 4.1 The process outlined for managing and monitoring the council's Major Projects programme, plus the associated Major Projects Member Board have no policy implications.
- 4.2 The role of the Policy Review and Development Panels, Audit Committee, Cabinet and Council are not affected by the proposal.

³ To achieve appropriate proportionality

5. Financial Implications

- 5.1 None in relation to the way that Major Projects are managed and monitored. All financial implications for the projects themselves will follow the usual process.

6. Personnel Implications

- 6.1 None

7. Statutory Considerations

- 7.1 Statutory provisions are not altered

8. Equality Impact Assessment (EIA)

- 8.1 Pre-screening report attached. No requirement for a full equality impact assessment necessary.

9. Risk Management Implications

- 9.1 Risk management is built-in to each project, with Management Team, the Corporate Risk Register and the Audit Committee all featured within the process and the proposed Major Projects Member Board.

10. Declarations of Interest / Dispensations Granted

- 10.1 None

11. Background Papers

- 11.1 None

Pre-Screening Equality Impact Assessment

Borough Council of
**King's Lynn &
West Norfolk**



Name of policy/service/function	Process for dealing with Major Projects				
Is this a new or existing policy/ service/function?	New				
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service rigidly constrained by statutory obligations	Process for dealing with Major Projects, including set up of Major Projects Member Board				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			✓	
	Disability			✓	
	Gender			✓	
	Gender Re-assignment			✓	
	Marriage/civil partnership			✓	
	Pregnancy & maternity			✓	
	Race			✓	
	Religion or belief			✓	
	Sexual orientation			✓	
	Other (eg low income)			✓	
Question	Answer	Comments			
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No				
3. Could this policy/service be perceived as impacting on communities differently?	No				
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No				
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	No	Actions:			
		Actions agreed by EWG member:			
Assessment completed by: Name Matthew Henry					
Job Title : Assistant Director Regeneration & Property	Date 17.05.2019				

Please Note: If there are any positive or negative impacts identified in question 1, or there any 'yes' responses to questions 2 – 4 a full impact assessment will be required.

Appendix A – Terms of Reference for the Major Projects Officer Board

The purpose of the board is to oversee and ensure delivery of the outcomes of the council's property related major projects programme. The major projects programme is defined as schemes that are not primarily operational but deliver new or enhanced facilities or generate new or additional revenue; can involve partnership working and external funding; are delivered over a period in excess of 12 months; include a key decision with a budget of £250,000 or more⁴.

1. The Board will not consider those capital projects that are concerned with routine maintenance or the day-to-day business operation of the council, including minor capital schemes with a budget below £250,000 such as small scale public realm enhancements⁵.
2. Membership of the Board will be as follows:
 - Management Team
 - Ray Harding – Chief Executive
 - Lorraine Gore – Deputy Chief Executive & Chief Finance Officer
 - Debbie Gates – Executive Director
 - Geoff Hall – Executive Director
 - Chris Bamfield – Executive Director
 - A representative from Eastlaw – Legal
 - Matthew Henry – Property Services Manager

The Board should have a representative from Planning, Finance, Legal and Property present; therefore, if relevant Executive Directors are unavailable, substitutes will be required from these professional areas.

3. Meetings will be held monthly; the Democratic Services team will provide support for the Board, including agenda and minute production and circulation.
4. To provide a management and monitoring role, sharing expertise and good practice, ensuring due diligence and will make appropriate recommendations to Management Team to subsequently ratify.
5. To receive initial project ideas from different sources, e.g. Extended Management Team Officers, Portfolio Holders. Consider these ideas and approve further development of the project into a **Project Brief**.

⁴ Definition taken from the Capital Strategy

⁵ Definition taken from the Capital Strategy

6. To consider the Project Brief(s) and to assess project proposals in line with :
 - a. Corporate priorities and objectives
 - b. Financial viability – with regard to the project and the Council’s budgets
 - c. Deliverability – with regard to existing staff resources including: capacity, experience, capability, and qualificationsand determine whether or not to take the project forward and request the production of the **Project Initiation Document (PID)**.
7. To consider the Project Initiation Document(s) including :
 - a. The project plan
 - b. The business case
 - c. Communications
 - d. Quality
 - e. Risk
 - f. Compliance checklist
8. To develop the Council’s overall programme of major projects, most of which are likely to be property related, and monitor the overall impact and deliverability of the **project programme**.
9. To manage and oversee the project programme by
 - a. Maintaining a schedule of the council’s major projects programme, which will be held jointly by the Deputy Chief Executive and the Property Services Manager
 - b. Receiving updates on progress, risks and budgets from relevant officers, based on exception reporting
 - c. Identifying issues with individual projects and/or the overall programme
 - d. Prioritising projects and project spend
 - e. Maintaining an overall view of the programme to ensure the programme remains achievable, and is resourced effectively
 - f. Reporting to Cabinet on a half-yearly basis and updates via the capital reporting process.
10. To escalate issues identified during the programme management process to the relevant decision-maker/body.
11. To ensure there is a clear, robust and transparent project and programme management process in place that is readily auditable to include risk management, financial management issues and ensures that all necessary contract documentation is completed and in place, prior to commencement.

12. To ensure there is an appropriate reporting interface with Cabinet, the three Policy Review and Development Panels, and Audit Committee.
13. Where a project involves partnering with a third party, the Board will determine the most appropriate method of delivery. The Board will ensure that
- a. a due diligence exercise on the financial position of the partner(s) is built into the feasibility stages of the project
 - b. annual due diligence checks are made on the credit worthiness / financial position of the partner(s)
 - c. critical documents relating to the financial checks are retained on a central file⁶
 - d. termination clauses are linked to events that may indicate the third party's non-compliance with the Companies Act 2018⁷
 - e. any potential conflicts of interest are considered at the earliest opportunity and any implications for the partnership are explored and monitored as deemed appropriate.
14. If, following acceptance of a partnering agreement with a third party, a partner organisation wishes to alter the terms, the Major Projects Board Officer must be consulted to endorse or authorise any proposed changes.
15. To review projects on completion and sign-off lessons learned reports.
16. To ensure that all relevant project documents are stored on the Major Projects Board Project Site, on Insite (the Council's intranet).
17. The Terms of Reference will be reviewed by the Board 6 months after adoption and thereafter on a 12 month basis.

Categories for monitoring

The categories agreed by Management Team to use for Programme Monitoring. **RAG+BW:**

RED	AMBER	GREEN	BLUE	WHITE
<p>Significant issues exist requiring consideration by Project or Programme Board and immediate action to be taken.</p> <p>Benefits – it is probable that the intended benefit will not be achieved</p>	<p>Some (actual or anticipated) variation from the project plan but actions in hand to maintain progress.</p> <p>Benefits - some of the intended benefit may not be achieved</p>	<p>On schedule – progress in line with agreed project plan</p> <p>Benefits – it is forecast that this benefit will be achieved</p>	<p>Project / Work Package / Benefit completed</p>	<p>Being developed - Project has been approved but is in Initiation Stage</p>

⁶ Critical project documents will be stored by the Project Manager for the duration of the project, adhering to the ToR above.

⁷ Events may include accounts not being filed on time, credit rating level not being above correct level, etc.

Appendix B – Terms of Reference for Major Projects Member Board

1. Composition

The Major Projects Member Board shall consist of 7 elected members as shown below, subject to proportionality considerations.

Group members:	Number
• Chair of the Audit Committee	1
• Chairman of the Regeneration and Environment Panel (Policy Review and Development Panel)	1
• Leader of the Council	1
• 1 other Portfolio Holder	1
• Representative(s) from other political groups ⁸	3
TOTAL	7

The Major Projects Member Board shall:

- Appoint its own Chairman and Vice-Chairman
- Meet quarterly
- Be supported by officers including Management Team representative, S151 Officer, Internal Audit, Legal and lead officers for specific projects

2. Aims and Terms of Reference

2.1 The objective of the Major Projects Member Board, subject to statutory provision, is to:

- (a) operate on behalf of the Council, to provide assurance that the council's major projects programme is run in accordance with the Major Projects Board⁹ Terms of Reference.
- (b) form an integral part of the governance of the major projects programme.
- (c) monitor delivery of the major projects programme.

2.2 To achieve its aims, the Major Projects Member Board shall:

- (a) consider the agenda items and minutes produced from the previous meetings¹⁰ of the Major Projects Board and decide whether appropriate recommendations have been made by the Board and subsequently agreed by Management Team on those specific items and reported to Panel and/or Cabinet as appropriate.

⁸ To achieve appropriate proportionality

⁹ An officer Board, consisting of Executive Directors and representatives from Property Services, Legal, Planning and Finance

¹⁰ This would usually be the three previous meetings; as this Member group is due to meet quarterly.

- (b) consider the exception reporting that the Major Projects Board have received at its previous meetings and whether appropriate action has been identified and taken place.
- (c) consider the forward programme for the Major Projects Board and decide whether alternative priorities should be set.
- (d) consider post project evaluations and lessons learnt.
- (e) consider risk associated with delivery of the major projects programme.
- (f) make reports and/or recommendations to Panels and/or Cabinet in connection with the discharge of any of their functions.

Appendix C - Overview diagram of Major Projects Process

Further details are contained within Terms of Reference documents and the covering Cabinet Report.
The bars shown indicate at what stage each body may become involved in the process.

