

RECOMMENDATIONS TO CABINET 16 NOVEMBER 2021 FROM THE MEMBER MAJOR PROJECTS BOARD HELD ON 10 NOVEMBER 2021

Item 5 – Cabinet Report: Member Major Projects Board – Review of the Terms of Reference

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The Assistant Director, Property and Projects presented the report circulated with the Agenda and reminded the Board that the Council set up a Member Major Projects Board (MMPB) during 2019 to provide more formal over-sight and monitoring of the delivery of the Council's major projects and the programme of major projects.

It was highlighted that the operation and effectiveness of the Board had been hampered particularly by the Covid-19 Pandemic, with many projects being stalled or delayed and Board meetings being cancelled.

The Board was informed that the Council's Cabinet recognised the important role projects had in helping to deliver its aims and objectives and wanted to ensure that these projects were delivered successfully and in an appropriate way. Cabinet considered that a Project Board comprising a broad spectrum of Members/Councillors would help to provide greater over-sight and management of the Council's programme of major projects.

The report sought to provide a greater degree of clarity in respect of the role of the MMPB and particularly its relationship with other existing Panels and Committees within the council. Clarity was provided that the MMPB was a sub-committee of Cabinet. To this end revised Terms of Reference for the Member Major Projects Board were set out within the report.

The Assistant Director, Property and Projects referred to the comments made regarding the potential conflict with the scrutiny functions of other panels/committees at the July 2021 and outlined the reasons why it was necessary to re-draft the Terms of Reference. Reference was made to the appendix setting out the projects and how these would be placed on the MMPB work programme.

The Chair invited those Councillors attending under Standing Order 34 to address the Board.

Councillor Kemp addressed the Board under Standing Order 34 and commented that the Board was set up to look at risks of projects whether that was financial, environmental, social and others and to review lessons learnt following KLIC. Councillor Kemp stated that looking at risk was different from decision making and scrutiny.

Councillor Parish addressed the Board under Standing Order 34 in relation to the MMPB being a sub-committee of Cabinet, the decision making process and the role of the opposition members on the MMPB. Councillor Parish outlined the benefits, independent and valuable role of the Chairs of the Regeneration and Development and the Audit Committee being on the MMPB and added that they, in his opinion, should remain on the Board.

Councillor Morley addressed the Board under Standing Order 34 in relation to paragraph 2 of the Terms of Reference setting out the aims of the MMPB. Councillor Morley added that he felt the reporting function and aims, particularly relating to governance required strengthening and asked how the reporting module would be transmitted to the relevant

scrutiny panels to enable them to monitor projects. Councillor Morley asked if section 2.2 could be looked at to consider the points he had raised.

Councillor Joyce referred to 2.1(a) and asked if there should be a specific figure defining a “major project” and that would be a matter for Cabinet to decide.

Councillor Joyce referred to 2.1 (b) operate on behalf of the Cabinet, to provide assurance that the council’s major projects programme is run in accordance with the Officer Major Projects Board Terms of Reference and commented that if the words operate on behalf of the Cabinet could be deleted this would be acceptable.

In response, the Leader explained that he was happy to discuss the above proposed wording outside of the meeting in consultation with the Monitoring Officer and undertook to revise the proposed wording as set out above.

Councillor Rust commented that she felt the terms of reference as set out were woolly and did not give the lay outsider anything concrete and how robust it was. Councillor Rust added that this was set up to achieve something, but she felt it was a box ticking exercise and that proposed changes looked like Cabinet wanted to mark their own homework. Councillor Rust concluded by commenting that she was uncomfortable with the proposed changes could not support them.

The Chair responded to the comments made by Councillors Parish and Rust and outlined the purpose of the MMPB and the role and importance of the Scrutiny Panels. The Chair reaffirmed that the MMPB was a sub-committee of Cabinet.

Councillor Blunt addressed the Board in relation to the definition of a major project not just being in relation to money but resources, impact, etc and there was more than one definition and through the process officers would determine the definition and this could then be debated before it became a major project. Councillor Blunt commented that the Council needed to think about processes going forward and one of the key issues was to ensure the MMPB focused on risk and looked at each of the key indicators for each project to focus on. Councillor Blunt added that in his view it would be necessary to look at time, speed of delivery, capital and revenue implications, actual project definitions, resources and review them. Councillor Blunt commented that he hoped that all project documents presented to MMPB would enable the Board to review risks and identify if any projects being monitored on a RAG (Red, Amber, Green) rating moved into red or amber zones this would then require action and Opposition Members could ensure that reviews were completed.

Councillor de Whalley commented that the MMPB gave a more holistic approach to projects as opposed to panels where a specific project was debated in more detail. Councillor de Whalley agreed with the comments made by his fellow Independent Councillors that having the Chairs of the Regeneration and Development Panel and Audit Committee allowed a different perspective and helped Members to keep abreast of the whole picture and to bring any key issues back to panels. Councillor de Whalley also referred to the proposed membership of the MMPB.

The Assistant Director, Property and Projects responded to questions and comments relating to the definition of a major project,, the importance of the programme of projects providing an holistic view of what the organisation was facing, for example, financing, staff resources, etc. The development and scrutiny function of the panels and the link to the MMPB. In relation to the Terms of Reference, the Assistant Director advised that they had not changed much since 2019, but it was felt that the MMPB conflicted with the role, particularly the scrutiny function of the Panels and that it was important this was resolved first in order to to set up a system that worked properly.

The Monitoring Officer outlined the reason for the recommendation within the report and confirmed that the Chairs of the Audit Committee and Regeneration and Development Panel would need to come off the MMPB. This was because within their own respective panels they had terms of reference which involved scrutinising or auditing and potentially applying that function to the activities of the MMPB if the respective Chairs of the Audit Committee and Regeneration and Development Panels were on the MMPB they would therefore be marking their own homework. If issues were referred to their respective Panels if they had been involved in decision making on MMPB. Removing the Chairs mentioned above from the MMPB would prevent conflict and support the correct operation of the panels.

Councillor Middleton stated that when issues were found with a previous major project, and gave KLIC as an example, everyone agreed that something like the MMPB needed to be set up in order for Councillors to keep a closer look on the decisions that the Council had made for its ongoing projects. Councillor Middleton outlined the arrangements in place prior to the MMPB being set up and this now provided Councillors with an overview of projects. The MMPB would look at how the projects were being progressed in line with certain criteria and if necessary, for example, a project was over budget or time then there would be an opportunity for the relevant panel to scrutinise the project.

In response to questions from Councillor Middleton on the role of the members of the MMPB having a conflict of interest if they were also a member of other panels, the Monitoring Officer explained that this would be in a position of conflict. The overall position of Members on the MMPB was that they were a sub-committee of Cabinet and therefore part of the decision making process. If the matter then went to a scrutiny panel or to Audit, the MMPB members would not want to be in a position of conflict. If a MMPB member found themselves in that situation they would then need to think what that meant, take advice and if necessary organise a substitute.

Councillor Joyce concurred with the comments made by Councillor Blunt with regard to impact.

Councillor Joyce further commented on scrutiny and potential stage conflict all sorts of ways and stated that he did not disagree with the Monitoring Officer, but added that it was also the situation that any member of council can place any item on any panel agenda to be scrutinised if it was within that panel's remit and added that there was a clear potential for risk that covered all Councillors and to stop a Member going onto MMPB because they were a Member or Chair of a scrutiny panel might be a bridge too far.

In response to the comments and questions raised by Councillor Joyce, the Assistant Director, Property and Projects explained that the reason for removing the Chairs of the Regeneration and Development Panel and the Audit Committee was actually to protect the governance arrangements and the scrutiny function of the panel and Audit Committee.

At the invitation of the Chair, Councillor Morley addressed the Board with regard to the membership of the Board, performance reports presented to MMPB, comments made by Councillor Blunt, performance management tools and relevant data being produced for the MMPB and scrutiny panels in a constructive and equitable manner on progress on projects.

In response to comments made by Councillor Morley, the Assistant Director, Property and Projects explained that it would be necessary to redesign the process of reporting into the MMPB so that Members knew what they were looking at and why. This process redesign would then form part of the work programme for the MMPB and it could be that the Board identified specific projects from the Cabinet confirmed major projects list and that the relevant project lead officer be invited to attend the MMPB to provide a briefing on that

specific project to enable monitoring to be undertaken thereafter. The briefing would include and identify the relevant project desired outputs and outcomes, timelines and budget estimates.

The Chair responded to the questions raised by Councillor Morley.

The Chair responded to the comments made by Councillor Parish in relation to the membership of the MMPB and panels and opposition members, particularly the Independent Group in relation to substitutes.

Councillor Joyce commented that the MMPB was a Cabinet sub-group and it was the decision of the Cabinet who it wished to be represented on the Board and added that perhaps Cabinet could reconsider the position with regarding to the role of the scrutiny panels and comments made by Councillor Parish.

The Chair therefore proposed the amended recommendation:

- 1) 2.1 (b) be amended to read: to provide assurance that the council's major projects programme is run in accordance with the Officer Major Projects Board Terms of Reference.
- 2) Advice be sought from the Monitoring Officer regarding the membership of the MMPB and the questions raised regarding Members of the Scrutiny Panels being also representatives on the MMPB.

The Board agreed the above amended recommendation.

Councillor Rust did not vote on the recommendation set out below.

Councillor de Whalley was against the recommendation as set out below.

RESOLVED: That the Member Major Projects Board recommended that Cabinet noted the content of the report and approve the revised Terms of Reference for the Member Major Projects Board, subject to the following additional recommendations which were agreed by the Board:

- 1) 2.1 (b) be amended to read: to provide assurance that the council's major projects programme is run in accordance with the Officer Major Projects Board Terms of Reference.
- 2) Advice be sought from the Monitoring Officer regarding the membership of the MMPB and the questions raised regarding Members of the Scrutiny Panels being also representatives on the MMPB.