

## Report of the Chief Audit and Control Officer

**GOVERNANCE DASHBOARD – MAJOR PROJECTS**1. Purpose of Report

To provide the Committee with a governance dashboard report relating to the Council's major and key projects.

2. Background

Members have requested that a regular governance dashboard report should be provided to this Committee on the Council's major projects, such as the Beeston Town Centre Development, Stapleford Towns Fund and the Housing Delivery Programme, to include a governance checklist and an independent assurance opinion from Internal Audit.

The need to have strong effective governance in place is vital, with the necessary levels of transparency and openness in decision making which align with the Council's Constitution, including the Scheme of Delegation, Standing Orders and Financial Regulations.

Internal Audit will complete a robust and professional challenge of these governance arrangements as part of its revised Internal Audit Plan. In the meantime, a 'Governance – Compliance Checklist' has been developed to enable scrutiny of the effectiveness of governance arrangements for these major projects. A summary of the responses provided by the Project Sponsor, Senior Responsible Owner and/or the Project Manager is included in the appendix.

**Recommendation**

**The Committee is asked to NOTE the report.**

Background Papers

Nil

APPENDIX

**MAJOR PROJECTS – GOVERNANCE CHECKLIST**

A summary of the governance arrangements established for the major projects are provided below as part of the regular ‘Governance Dashboard’ report to this Committee.

The responses provided below to the ‘Governance – Compliance Checklist’ used to establish and enable scrutiny of the effectiveness of governance arrangements for major projects have come directly from the respective Project Sponsor; Senior Responsible Owner; and/or the Project Manager.

These arrangements will be subjected to robust and professional challenge by Internal Audit as part of its revised audit plan, with the outcomes of these governance reviews being reported to this Committee.

Major Project:	Beeston Square Redevelopment Phase II	Housing Delivery Plan	Stapleford Towns Fund
<b>Project Board:</b>	Beeston Square Project Board	Housing Committee	Towns Fund Board
Officer Working Group or other Stakeholder Group:	As above	Housing Delivery Group	The Board is supplemented by a wider stakeholder group as agreed by the Jobs and Economy Committee.
Project Sponsor and/or Senior Responsible Owner:	Deputy Chief Executive Head of Property Services	Deputy Chief Executive	Chief Executive
Project Manager:	Faithful and Gould ( <i>external</i> ) Interim Project Manager ( <i>client</i> )	Interim Housing Delivery Manager	Major Projects Officer
<b>Business Case/Project Plan:</b> Has the business plan been approved by a Committee(s)?	Yes	The Housing Delivery Plan (including the business plan) was approved by Housing Committee in June 2019.	A bid is being developed by the Board in accordance with the statutory guidance issued by the government.

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Has the project vision, objectives, delivery strategy been defined?	Yes – Project Execution Plan in place.	Project vision, objectives and delivery/action plan identified in the Housing Delivery Plan.	A draft project vision has been agreed by the Board. The project is at the stage where individual business cases for each potential project are being developed. The projects will be subject to a final selection process and consultation.
Is there a delivery/action plan?	Yes – Project Execution Plan in place.	A delivery/action plan was identified in the Housing Delivery Plan.	A timeline for delivery of the bid has been agreed. There will be an outline business case for the projects. We are not yet at the stage where detailed action plans exist.
Have outcome targets been set and is performance regularly monitored?	Yes	Targets are identified and monitored through the Housing Delivery Group meetings, the Housing Capital Programme and Housing Committee reports.	The main outcome anticipated is the submission of the bid by the deadline.
Is the Business Case subject to regularly review and updated?	Yes – at Project Board	Yes through the Housing Delivery Group and Housing Committee reports.	Business cases for projects are in the process of being developed.
<b>Project Board:</b> Has a project board been established?	Yes	Yes – the Housing Delivery Group	Yes
What is its meeting frequency?	Monthly	The Housing Delivery Group meets monthly.	A programme of meetings has been set – at least monthly.

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Who attends the meetings?	Members; officers; external advisors (non-executive)	The Group is chaired by Deputy Chief Executive and comprises of officers from Housing, Finance, Planning, Legal, Estates and Procurement.	Meetings are well attended by those who are on the Board and are always quorate.
How have Board Members been identified and appointed – is this based upon any particular skillset?	Cross-party political representation, officer responsibilities, external skills	Officers from Housing, Finance, Planning, Legal, Estates and Procurement.	Approved by Jobs and Economy Committee in accordance with the requirements of the criteria set by the fund guidance. Representativeness of tiers of government and private sector leadership is crucial.
Have roles been established and has authority and responsibilities been defined?	Yes	Roles have been established and responsibilities identified.	A chair/vice-chair have been appointed. Their powers are as agreed by the Board. Otherwise they have no individual decision making authority
Has decision making authority been defined to comply with Standing Orders/Scheme of Delegation (committee approval or delegated powers)?	Yes	All proposals are agreed by the Group and then taken to GMT and the respective Committee as required or dealt with under Delegated Powers and Standing Orders.	Yes. Any expenditure complies with Standing Orders and work is subject to tendering as required by Standing Orders.

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Have any potential conflicts of interest been identified and duly declared?	Yes – these are reviewed at each Project Board	Yes	Declarations of interest is a regular item on the agenda. Board membership includes developers and an estate agent. If there be a failure to declare any conflict, the Standards regime would be unable to hold private sector Board members to account. However, criminal law would apply if a fraud had occurred.
Is an agenda prepared and are meeting minutes taken?	Yes	Agendas and minutes are prepared for each monthly meeting. A report is taken to every Housing Committee meeting which includes a programme update, finance update and covers items for Committee approval.	Yes. Every meeting has an agenda and is minuted.
<b>Project/Delivery Plan:</b> Has a project/delivery plan been prepared?	Yes	The project has an approved Housing Delivery Plan which will be updated at key trigger dates (end of phase 1 in late 2021).	Yes. There is a project plan up to the date of submission which will be replaced by a programme of work once projects have been approved for funding
Are these plans regularly reviewed and updated?	Yes	The plans are reviewed by the Housing Delivery Group and Housing Committee.	The current plan is reviewed on a monthly basis in line with Executive Board meetings

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<b>Reporting to Key Stakeholders and Members:</b>			
Is there any scrutiny of strategic decision making by Members?	Yes – at Project Board and at Committee(s)	Yes – at Housing Committee	Members are included on the Board (including opposition group members). Progress is reported to Jobs and Economy Committee where scrutiny occurs
What is the lead Committee?	Policy and Performance Committee (on to Full Council and the Finance and Resources Committee, where appropriate)	The Housing Committee is the lead committee.	Jobs and Economy Committee
Are the outcomes of the Project Board meeting (i.e. minutes, action plans, risk registers) reported to GMT, political leaders and/or the appropriate Committee(s)?	Yes	An update report on the Housing Delivery Plan has been prepared for every Housing Committee since October 2019. Main outcomes from the Housing Delivery Group are reported to GMT, Committee Chairs or the relevant committee. Senior officers have most of the authority required to approve the mechanics of delivering the programme within the agreed budget.	Yes. The Jobs and Economy Committee receive reports on progress. GMT see all papers on their way to Committee.
What is the frequency of these update reports?	As per the appropriate Committee cycles	As per the appropriate Committee cycles	Every meeting.

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<b>Budget/Financial Management:</b>			
Do operations take due regard of the Council Financial Regulations?	Yes	All operations take regards of the Council's Financial Regulations	Yes. Expenditure is in accordance with the Council's Standing Orders
Has the budget been approved? By whom and when?	Yes. Policy and Performance Committee on 3 July 2019 (and Full Council on 17 July 2019)	Budget approved by Finance and Resources Committee on 19 October 2019 and June 2020	The budget for the project is reported regularly to the Towns Fund Board. Any additional expenditure outside the budget is requested from Finance and Resources Committee
What are the arrangements for monitoring and reporting financial performance?	By the Project Manager to the Project Board and then onto the relevant Committee(s)	Monitoring and report of Financial performance is undertaken by the Head of Finance Services and the Project Manager on bi-monthly basis for Housing Committee.	Reported to every meeting of the Board and progress reported to the Jobs and Economy Committee.
Is financial performance considered by Project Board, GMT and/or Committee(s)?	Yes	Yes, the Housing Committee.	Financial performance is a matter covered in progress reports to Jobs and Economy Committee
<b>Procurement/Contracts/Legal</b>			
How do you ensure compliance with procurement regulations and internal process (Contract Standing Orders)?	Procurement decisions taken in consultation with the Procurement and Contracts Officer.	The procurement of contracts is carried out in line with procurement regulations and the Council's Standing Orders.	Tendering in accordance with Standing Orders

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How do you ensure compliance with contractual terms and other legal matters?	External Project Managers monitors and advises the Project Board. Legal advice taken as required.	All contracts are signed by the appropriate officer under delegated powers. The Legal department are consulted on significant contracts. Committee approval is also sought if required for the contracts.	Written agreement as to the work that is required is agreed prior to the commencement of work. Should anything deviate from this, the agreed reporting procedures are used.
<b>Risk Management:</b> Has the project 'risk appetite' been defined considering the acceptable levels of risk in strategic, financial, operational, regulatory and reputational terms, and is this used to inform risk management?	Yes	Risk is discussed at length at the Housing Delivery Group and considered in Committee reports on a scheme by scheme basis.	Yes, this is in line with the Council's 'risk appetite'.
How are risks managed at project level? Do these feed into the Council's strategic risks?	Risks managed by the Project Board, with external advice (legal, project manager) as required.	Risk is discussed at length by the Group. Schemes have to work within the constraints of the HRA Business Plan and the Housing Capital Programme. Work is being undertaken to agree a financial appraisal for housing delivery programme. Risk for new opportunities is carefully considered by the Project Manager on a scheme by scheme basis.	We have not yet reached the stage in which this will need to be considered. Management will be in line with the PRINCE2 risk management technique.



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Is a risk register prepared and is this regularly maintained and reviewed by the Project Board?	Yes. This is a standing agenda item for the project board	The project would benefit from a formal risk register.	Again, we are not yet at this point of the project. However, an informal risk register will be kept to understand landscape when applying for funding.
Is the risk register more widely reported and reviewed?	Yes. Top-level risks shared with the Policy and Performance Committee	Not currently	Not currently
Have risk tolerances been agreed in terms of cost, time and quality and are there clear escalation levels should the level of risk be outside these limits.	Yes, as defined in the Project Execution Plan	Schemes are not progressed where the likelihood of securing planning permission is not viable. The nature of residential development is that abortive costs will be accrued for development opportunities that are initially worked up but which are not ultimately developed. The level of acceptable abortive costs for sites (both Council owned and privately owned) needs to be agreed.	Not at this stage. This will be done at the Full Business Case stage of the process and in line with government requirements
<b>Other Considerations</b> Any other considerations for inclusion in the dashboard report.	None	None	None