

Argyll and Bute Council
Comhairle Earra Ghaidheal agus Bhoid

Corporate Services
Director: Nigel Stewart



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13 March 2009

NOTICE OF MEETING

A meeting of the **CHORD PROGRAMME MANAGEMENT BOARD** will be held in the **MEMBERS ROOM, KILMORY, LOCHGILPHEAD** on **FRIDAY, 20 MARCH 2009** at **11:00 AM**, which you are requested to attend.

Nigel Stewart
Director of Corporate Services

BUSINESS

1. **APOLOGIES FOR ABSENCE**
2. **DECLARATIONS OF INTEREST (IF ANY)**
3. **CHORD PROGRAMME GOVERNANCE ARRANGEMENTS**(Pages 1 - 14)
4. **PROJECT INITIATION DOCUMENT TEMPLATE**(Pages 15 - 20)
5. **DRAFT PROGRAMME PLAN**(Pages 21 - 22)
6. **INDICATIVE EU FUNDING FOR CHORD PROGRAMME**
Report by Head of Economic Development and Strategic Transportation (Pages 23 - 30)

CHORD PROGRAMME MANAGEMENT BOARD

Councillor Dick Walsh
Sally Reid
George Harper

Councillor Robert Macintyre
Nigel Stewart
Bruce West

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CHORD PROGRAMME**Programme Governance and Management Plan****Ver 3**

1	<p>INTRODUCTION</p> <p>This document sets out programme governance and management arrangements to ensure that the CHORD programme of projects which will give effect to the decisions taken by the Council on 27 November 2008 and by the Executive on 18 December 2008, which provide the basis in principle for committing £30m of capital expenditure to significant public realm works in communities throughout Argyll and Bute, is taken forward on a basis which is planned, transparent and accountable. The process will enable Members, officers, stakeholders, communities and key partner organisations to take forward the programme in a way which is compatible with these principles.</p> <p>Capital and revenue resources are available and the process outlined here will develop financial information which will be required by the Council to take subsequent decisions to enable the decisions of 27 November to be given effect.</p> <p>There will be legal, regulatory, risk management, design, procurement and sustainability aspects associated with taking forward an extensive and complex programme; the process outlined will enable these to be identified.</p>
2	<p>COUNCIL DECISIONS</p> <p>These decisions are –</p>
2.1	<p>Council: 27 November 2008</p> <p>The Council:-</p> <ol style="list-style-type: none"> 1. Noted the Outline Business Cases and associated papers, and the report from RPS. 2. Agreed that a 5th year (2013/14) be added to the capital programme and an amount of £2.5m be allocated to Town Centre and Waterfront Projects. 3. Increased the budget for loans charges by £100k per year incrementally for each of the next 5 years thereby providing funding for a further £7m of capital expenditure to be allocated to Town Centre and Waterfront Projects. 4. Agreed that the £10m in the capital programme over the years 2009/10 – 2012/13 plus the block allocation of £2.5m plus the additional £7m be allocated as follows:-

	<p>£2.4m in respect of the Rothesay OBC proposals.</p> <p>£6.5m in respect of the Campbeltown OBC proposals.</p> <p>£6.66m in respect of the two main Helensburgh OBC proposals.</p> <p>£0.9m in respect of development within Oban Bay or Harbour and that £6m be allocated within the roads unallocated block in the capital programme from 2012 for Oban Development Road as part of the OBC proposals.</p> <p>£3m to augment the current £5.3m commitment in the capital programme for Dunoon Pier.</p> <p>5. Agreed that any capital receipt from the disposal of a capital asset within any project will be allocated to the project, as identified in any final business case.</p> <p>6. Requested a further report, to be submitted to the Executive, setting out the structure, process, resources, profiling and timescales to take the agreed projects through to Full Business Case and, thereafter, to delivery.</p> <p>7. Recognised that the emerging revised Corporate Plan should reflect the priorities determined by the Council in the light of the development of the Outline Business Cases for the town centre/waterfront developments.</p>
2.2	<p>Executive: 18 December 2008</p> <p>The Executive endorsed a process for taking forward the CHORD programme –</p>
1	<p>A Programme Board will be established to manage the overall programme. This Board will comprise the Leader and Depute Leader of the Council, Chief Executive, Directors of Corporate Services and Development Services and Head of Strategic Finance.</p>
2	<p>The Board will manage the overall process by setting down the detailed framework and programme plan for development of FBCs, and monitor progress to ensure a consistent and robust process.</p>
3	<p>The Board's role is to manage the programme, not to make decisions on the allocation of capital spend, which will be reserved to the Executive.</p>
4	<p>Five Project Boards, one for each individual town will remain in place. They will be responsible for developing each project through to FBC stage.</p>
5	<p>A Project Initiation Document (PID) which will include a Project Plan will be prepared and signed off by each Board. This will generally involve the establishment of a project team for each project. The PID will require each</p>

		Project Board to map out how they intend to develop the project in terms of activities and actions required and the resources, timescales, responsibilities and risks associated with these.
	6	The template for the PIDs will be developed by the Programme Board. Whilst many of the PID components will have been addressed at the Outline Business Case stage, they require to be refined in terms of developing a FBC. The projects vary considerably in their complexity and some will require more extensive lead-in work whereas others will be less complex. All of this should be covered in the PID.
	7	The Programme Board will develop a programme plan to help manage resources, profiling and timescales. The PIDs, including a project plan, will be considered by the Programme Board and these will form the basis for monitoring development of individual project FBCs and also the overall programme.
	8	Once the PIDs, including Project Plans, have been considered by the Programme Board they will be submitted to the Executive for noting and for approval for the projects to be taken to the FBC stage. The issues identified in the PID and Project Plan in terms of design, costs, consultation, consents and construction procurement will have been identified and the project will be ready for a final decision to proceed to FBC.
	9	There will also be a role for the Programme Board to liaise with partner organisations in terms of ensuring engagement in the programme.
	10	Each Project Board will develop a PID for each Project, which will include setting out the resource requirements to take the Project through to FBC stage. These will be considered by the Programme Board in order to ensure the Executive can allocate the resources which will be required to take forward the development of the FBCs.
2.3		Recognising the complexity of delivering all the elements of a £30m programme expeditiously the following governance arrangements will be used to give effect to the Council's decisions:
	1	Programme Management methodology for the FBC and design into implementation phases will be managed by the Programme Management Board supported by a Programme Manager, based around the OGC Managing Successful Programmes methodology http://www.ogc.gov.uk/guidance_managing_successful_projects.asp
	2	Project Management methodology will be based largely around PRINCE2

		methodology; each project will be developed by a Project Board which will be supported by a Project Manager (and team as necessary).
4	ROLES	
4.1	Programme Level	
	<p>The Programme Management Board comprises the Leader and Depute Leader of the Council, Chief Executive, Directors of Corporate Services and Development Services and Head of Strategic Finance.</p> <p>For the overall Programme, there are a further two discrete roles:</p> <ul style="list-style-type: none"> - Programme Manager - Programme Support Office (provided by the programme manager) 	
4.2	Project Level	
	The following roles have been identified in respect of each Project:	
	1	Board
	2	Board Member (core and non-core)
	3	Senior Responsible Officer
	4	Project Manager
	5	Project Team Member (may be core/non-core, may be internal/external) inc Subject Matter Experts (SMEs)
	<p>Prince2 provides a structure for project management that supports:</p> <ul style="list-style-type: none"> - Roles for decision makers - Management by exception for the decision makers - Full or part-time project management - Controlled delegation of some day-to-day management responsibilities - Roles for the independent inspection of all aspects of project performance - Lines of communication <p>Prince2 project management structure consists of roles and responsibilities that bring together the various interests and skills involved in, and required by, the project. For the project to be successful, these roles are defined at the outset.</p>	

	<p>The project management structure is the structure specifically designed to manage the project to its successful conclusion to meet the requirements defined in the Project Brief. The structure allows for channels of communication to decision-making forums and is backed up by job descriptions that specify the responsibilities, goals, limits of authority, relationships, skills, knowledge and experience required for all roles in the project organisation. Appendix 1 sets out the function, duties and expected involvement for each role.</p>
<p>5</p>	<p>GOVERNANCE STRUCTURE The governance structure is as follows:</p> <pre> graph TD Executive[Executive] <--> PMB[Programme Management Board] PMB --> Ctown[Project Board] PMB --> Hburgh[Project Board] PMB --> Oban[Project Board] PMB --> Rothesay[Project Board] PMB --> Dunoon[Project Board] PMB <--> PM[Programme Manager] Ctown --> Ctown_Team[Project Team] Hburgh --> Hburgh_Team[Project Team] Oban --> Oban_Team[Project Team] Rothesay --> Rothesay_Team[Project Team] Dunoon --> Dunoon_Team[Project Team] PM <--> Dunoon_Team </pre>
<p>6</p>	<p>PROJECT MANAGEMENT ACTIVITIES</p>
<p>6.1</p>	<p>Each project is to deliver the defined outcome, subject to a Full Business Case (FBC), contained in the Outline Business cases which the Council approved on 27 November 2008. The FBC is the 1st deliverable. There are two preliminary deliverables –</p> <ul style="list-style-type: none"> - a completed PID for each project which will define the outcome (template at Appendix 2) - a project plan to provide to the Programme Board information on the resources (internal and external) required to develop the FBC, in order that the Executive can allocate money from the £400k which the Council has assigned for this purpose.
<p>6.2</p>	<p>There may be intervening deliverables. Each project should be taken forward on a basis which has regard to complexity, state of readiness and other internal or external factors that may have a bearing on timescale.</p>

	The following mechanisms will be put in place to assist with the project management activities:
1	Regular meetings of Project Managers with the overall Programme Manager. The Programme Manager will determine whether these are best carried out on a one-to-one basis or whether a number or all of the Project Managers need to meet together. Risk management and project planning will form the core of these planning and progress meetings.
2	The Programme Manager and the Project Managers will maintain a central records system, which will contain all project development records to provide an audit trail to support each deliverable stage through to implementation. This will include, amongst other things, for risks and deviations from Plan to be flagged up to the Programme Management Board.
3	Project Board meetings should be held in accordance with the Project Plan which will be derived from the PID. Individual Project Boards should ideally meet at least 10 days prior to any Programme Board and provide a written Project update report to the Programme Board highlighting progress made versus plan, any changed risks and issues or deviations from Plan. The first main task for each Project Board is to sign off the Project Initiation Documents and Project Plans for their projects to be submitted to the Programme Board. This will include providing information on external consultants that a Project Board would intend to engage to progress the FBC.
4	Project teams will meet according to timetables agreed following consultation with the Programme Manager. The project team will comprise those professionals inside or outside the Council who are required to develop the project. These may be core or non-core and may be internal or external and may change during the progress of delivering the project. Membership of project teams may overlap or may vary for each project within a town, and between/amongst towns.
5	All Programme Board and Project Board papers and minutes will be held in the central programme records archive.
	Project Boards and Programme Management Board meetings will normally be open to the public, who may be excluded in the circumstances that would enable the Council to exclude the public from a meeting of the Council. Notwithstanding that the public may be excluded from a meeting, other Councillors may remain, and other persons who are present to advise the Board at the discretion of the Councillor Members of a Board (for part or all of the meeting when the public are excluded).

7	PROGRAMME MANAGEMENT ACTIVITIES	
	The Programme Management Board will -	
	1	provide an overarching management process to co-ordinate and facilitate the provision of information to enable the Executive to take the relevant decisions to approve Full Business cases and commit the funding resource which the Council allocated on 27 November. No funding will be committed to any project except on the basis that the Executive has taken such a decision following consideration of a Full Business Case and in so doing will ensure that the relevant provision is prioritised in the Council's capital programme.
	2	will be responsible for all aspects of the management and co-ordination of the programme and will provide information and advice to Project Boards to ensure the effective management of the programme
	3	while it is primarily the role of project boards to work with funding and other partners to deliver the projects, the Programme Management Board will seek to ensure the effective engagement of funding and other partners in the programme.
8	PROJECT INITIATION DOCUMENTS	
	The 1 st deliverable is to develop a Full Business Case for each of the projects developed to OBC stage and for which the Council agreed in principle to allocate funding on 27 November 2008. The PID is a key document which includes the scope of the work to develop the FBC. The creation of the PID will be the first preliminary task for each Project Board based on the template at Appendix 2. The PID will include –	
	1	Introduction: Purpose/Background
	2	Project Definition: Aims and objectives, Project Scope, Approach, Deliverables, Exclusions, Constraints, Project success criteria, Relationships to other projects, Assumptions/Prerequisites
	3	Outline Business Case
	4	Key Stakeholders
	5	Budget
	6	Project Organisation Structure
	7	Communications Plan
	8	Quality Plan: Quality expectations, criteria, methods, Project Assurance
	9	End Project reports
	10	Resources required and Project Plan to deliver the FBC
	11	Project Controls: Change control, Exception process and tolerances,

		management of risks and issues
	12	Acceptance Criteria
	13	Initial Risk Log
	Project Plan	
	<p>The Initial Project Plan will provide the Programme Board with the information on resources (internal and external) required to develop the Full Business Case. The plan should clearly articulate all the financial resource and HR input required to develop the FBC and also identify the skills and professional expertise required to deliver the FBC. The plan will also state the key milestones and dates in the development and delivery of the FBC.</p> <p>In addition to identifying the resources, milestones and dates for delivering the FBC, the Project Manager should also identify in the initial project plan the anticipated high level products of the project, estimated delivery dates and estimated costs. These will be revised once the FBC is taken forward. However, it will be useful to provide such indicative information at this juncture in order to identify the potential scale and timing of the final project.</p>	
	Benefits Realisation and Tracking Techniques will be used throughout the project and Project Boards will utilise Recognition Events Techniques to define the outcomes.	

March 2009

Appendix 1

Programme Board

The Programme Board comprises the Leader and Deputy Leader of the Council, Chief Executive, Director of Corporate Services, Director of Development Services and Head of Strategic Finance The Board will be chaired by the Leader, in whose absence the Deputy Leader.

The Board will undertake the Programme Management activities outlined in these Programme Management Arrangements and such other things as are necessary or desirable to facilitate the good management of the Programme.

The Director of Corporate Services will ensure the necessary arrangements for Programme Board meetings are made.

Programme SRO

The Programme SRO will be the Head of Economic Development and Strategic Transportation and will ultimately be responsible for the delivery of the Programme and the Projects within it.

The Programme SRO should perform the following higher level functions:

- appointment and management of Programme Manager and development of programme organisational structure as required
- ensure that the programme meets its objectives and delivers projected benefits
- ensure review of programme at appropriate stages
- ensure direction and monitoring of programme processes
- assist and support the Programme Board and Executive as appropriate

Programme Manager

The Programme Manager will be appointed by the Head of Economic Development and Strategic Transportation and will be responsible to that person.

The Programme Manager will undertake all the programme management arrangements set out in this document to ensure the coordinated organisation, direction and implementation of the dossier of projects and related activities (i.e. the programme) to achieve the outcomes and realise the benefits of the Council's decision taken on 27 November 2008.

The Programme Manager will deliver the Programme, within the constraints laid down by the Programme Board and/or the Executive. The Programme Manager will lead and manage the Core Programme Team, which will include the Project Managers.

The Programme Manager's key responsibility is to ensure that the Projects deliver the right outputs, to the required level of quality and within the specified constraints.

Duties for the Programme Manager will include –

- Holding regular meetings with Project Managers
- Ensuring good progress is maintained across overall Programme
- working with individual Project Managers to ensure any potential delays within their Projects are being appropriately managed
- Building, managing and motivating the Core Programme Team
- Building and maintaining effective working relationships with the Programme and Project Boards
- Ensuring consistency in quality and timeliness of the preparation and maintenance of standard project deliverables, including PID, Project Plan and Full Business Case for each Project
- Responsible for the maintenance of the Programme Risk Register and Programme Issues Log
- Managing and controlling changes to scope, requirements, personnel, contract management etc
- Preparing and presenting Programme reports and plans to the Programme Board including highlighting progress made versus plan, any changed risks and issues, conflicts and progress
- Ensuring progress reports from individual Project Boards are available for the overall Programme Board
- Ensuring Programme Support Office provides effective support to the overall Programme and to individual Project Teams

Project Board The Project Board will comprise –

Core Members

- 1 The local Councillors who are appointed by relevant the Area Committee.
- 2 The Council's relevant Link Director

Non – Core Members

- 3 Representatives of other community stakeholders to be determined by the Project Board, but no-one will be a member of

a Project Board if they have any direct or indirect interest (financial or otherwise) either in their own right or as a representative of any organisation which has an interest in the outcome of project.

Executive decisions on any matter will be taken by the core members of the Board.

The Project Board is responsible to the overall Programme Board (and ultimately the Executive) for the overall direction and management of their project and has responsibility and authority for the project within the remit set by the Executive/ Programme Board. The Project Board approves all major plans and authorises any major deviation from agreed Stage Plans. The Project Board signs off the completion of each stage as well as authorising the start of the next stage. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies.

The Project Board is responsible for assurance that the project remains on course to deliver products of the required quality to meet the Business Case defined in the Project Initiation Document. The Project Board is the project's 'voice' to the outside world and is responsible for dissemination of information about the project.

Board Member Duties of Project Board Member include –

- Attendance at project board meetings
- Agreement of PID and ongoing update of project plan
- Acceptance of all project products
- Agreement of milestone deviations
- Review of deviations

Board Chair The Board chair will be one of the Councillor members, appointed by the Board. Duties of Board Chair include –

- Chairing Board meetings
- Ensure Project Board meets its remit
- Internal and external promotion of project
- Liaison with Project Manager and Link Director

Project SRO The Project SRO is ultimately responsible for the project, supported by the Project Manager. The SRO's role (working through the Project Manager) is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering a product that will achieve the projected benefits. The SRO has to ensure that the project gives value for money, ensuring a cost-conscious approach to

the project. The SRO and Project Manager will build, manage and motivate the Project Team

Throughout the project, the SRO 'owns' the Business Case.

The SRO is responsible for the following key aspects of the project:

Development and continuation of the project Business Case

Overseeing the development of a viable Full Business Case is part of establishing a firm basis for the project during its initiation and definition. The SRO should be responsible for securing the necessary investment for the business change. The SRO has the responsibility throughout the project to ensure that the project will be achieved.

Project organisation structure and plans

The SRO ensures that there is a coherent organisation structure and logical plan(s). This will involve being actively engaged with the work of

project initiation. The SRO will also play a strategic role in facilitating the interface between SME consultants, and Council staff, ensuring the overall project timeline is maintained, ensuring the project team is properly resourced and regular liaison with Project Manager

Monitoring and control of progress

Monitoring and controlling the progress of the project at a strategic level (at an operational level this is the responsibility of the Project Manager).

Problem referral

Referring serious problems which might impact on deliverables, budget, timescales or other significant issue related to a project in a timely manner to the Project Board and, as necessary, to the Programme Board. The SRO is responsible for ensuring the communication processes are effective and linkages are maintained between the project and the programme's strategic direction.

Project implementation

Ensuring that the implementation phase is planned, resourced and delivered according to the Full Business Case assumptions, and the related detailed implementation plan.

Formal closure

Formally closing the project. Ensuring that the post-project review takes place at the end of implementation, whose purpose is to find out if the benefits, as stated in the Full Business Case, have been realised. The SRO is responsible for commissioning these reviews

and ensuring the output is reported to the Project Board and in turn the Programme Board.

Project Manager

The Project Manager for each project will be appointed by the Programme Manager. The Project Manager will run their specific project on a day-to-day basis on behalf of their Senior Responsible Officer within the constraints laid down by the Project or Programme Boards.

The Project Manager's prime responsibility is to ensure that their project produces the required products, to the required standard of quality and within the specified constraints of time and cost.

The Project Manager is also responsible for the project producing a result that is capable of achieving the benefits defined in the Full Business Case. The Project Manager will be responsible for monitoring progress, controlling the budget, ensuring the necessary resources are secured to deliver the project and will act as the primary point in the council for that project. The same person may be project manager for more than one project.

The Project Manager will have other responsibilities in delivering the project successfully. These include:

- Project management and chairing Project Team meetings
- Production of PID
- Production and update of project plan
- Management of risk register and issues log
- Change control
- Identifying the appropriate contacts and information sources in the Council
- Appropriately resourcing the project team
- Maintaining regular contact with SRO
- Preparation of reports for Project Board meeting
- Log potential conflicts and assist their resolution
- Participating actively in shaping the deliverables
- Briefing contacts about the project
- Responding to questions on topics that need elaboration

Project Team Member

The Project Team Member will be responsible for provision of specialised knowledge as required, contributing to the production and assurance of all project products. Project Team members may be core or non-core and may be internal or external to the Council.

Duties –

- Participating in business analysis and review
- Contributing to future design

- Attending team meetings
- Undertaking agreed project activities as defined by Project Manager

The relevant Area Corporate Services Manager, who will be a member of the project team, will be responsible for all of the arrangements for Project Board meetings and will facilitate the good conduct of the Board's business.

**Indicative
CHORD
programme &
project
responsibilities**

These are shown at appendix 1 for the purposes of delivering Full Business Cases.

PROJECT DOCUMENTATION

PROJECT INITIATION DOCUMENT

TITLE

Release: Draft 1.5
Date:

PRINCE 2

Author:

Owner:

Client:

Document Number:

Project Initiation Document History

Copyright Notice

The original format of this document is copyright IBM (UK) Ltd. 1998.

Document Location

This document is only valid on the day it was printed.

The source of the document will be found on the project's PC in location

Revision History

Date of this revision:

Date of Next revision:

Revision date	Previous revision date	Summary of Changes	Changes marked
		First issue	

Approvals

This document requires the following approvals.

Signed approval forms are filed in the Management section of the project files.

Name	Signature	Title	Date of Issue	Version

Distribution

This document has been distributed to

Name	Title	Date of Issue	Version

Project Initiation Document

Purpose of Document

The purpose of this document is to define the project, to form the basis for its management and the assessment of overall success.

Background

Must state where the project fits into the overall strategy (The Vision) i.e. (where applicable), the EU, Scottish Government's Economic Strategy, Single Outcome Agreement, Council's Corporate plan, Development Plan's, OBC's etc.

Project Definition

What exactly is the project – this must be clear.

Project Objectives

Objectives should be SMART; Specific, Measurable, Agreed, Realistic and Timely

Project Scope

List what is in the project

Method of Approach

A description of the way in which the work is to be approached. For example; are we building a product from scratch or buying in a product that already exists? State type of solution, description, reasons.

Project Deliverables and/or Desired Outcomes

An item that the project has to create as part of the requirements. It may be part of the final outcome or an intermediate element on which one or more subsequent deliverables are dependent.

Exclusions

Identification of exclusions further clarifies the scope of project

Constraints

A statement of things that will constrain any project solution i.e. land ownership implications, budget etc.

Interfaces

Does the project 'interface' with other areas/business/organisations, stakeholders. Very important in public sector organisations.

Assumptions

What assumptions have been made in drawing up this project.

Outline Business Case

The justification for an initiative [programme, project, activity] in which continuing viability is tested.

The Initial Business Case will be set out under the following sub-headings; reasons, options, benefits expected, risks, costs, timescales, investments appraisal and, evaluation.

Project Organisation Structure

This section sets out the Project Board Members, the Project Manager and the Project Team Members, stakeholders, partners, other skills required (internal or external?) and outlines their responsibilities in relation to the project.

Communications Plan

A plan of the communications activities during the project. Typically contains when, what, how and with whom information flows

Sets out consultation plan to ensure engagement with the community.

Project Quality Plan

A plan defining the key quality criteria, quality control and audit processes to be applied to project management and specialist work.

Initial Project Plan

A high- level plan showing the major products of the project, when they will be delivered and at what cost. An Initial Project Plan is presented as part of the PID. This is revised as information on actual progress appears. It is a major control document for the Project Board to measure actual progress against expectations.

For construction related project; runs from 'Initiation Stage' to end of project.

Project Controls

Sets out;

- *Regularity of 'highlight reports' (i.e. monthly) and their content. Template*
- *Tolerances (+/- %) for costs and schedule. Triggers 'Exception Reports' (template) and possibly 'Exception Assessments' for approval by Project Board.*

Also establishes control of;

- *Configuration Management; aims to identify, track and protect the project's deliverables(s) or products(s) from unauthorised change.*
- *Change Control; Capture and log project 'issues' and assess if 'change' is required. Should prevent 'scope creep'.*

Initial Risk and Issues Log

A record of all identified risks relating to the projects and their status and history. 'Risk Analysis' and/or 'Risk Log' templates will be attached as separate appendices.

Financial Management

Equality and Sustainability

Contingency Plans

This relates to contingency plans in the event that the project fails (either in getting implemented or total failure during implementation). Contingencies for the micro management of the project will be managed through the project controls i.e. highlight reports, exception reports, risk register and issues register.

Project Filing Structure

Establish protocols to ensure effective management of files that can be readily accessed by required parties to most up to date versions.

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THE PROGRAMME PLAN

The CHORD Programme is a portfolio of projects selected, planned and managed in a co-ordinated way. The Programme Plan will track the projects within the programme, key milestones, when they will be delivered and at what cost. The Programme Plan will be populated as information regarding the projects becomes available through the PIDs. It will be revised as information on actual progress appears. The Plan is a major control document for the programme Board to measure actual progress against expectations.

More specifically, the plan will include (some as annexes):

Identification of management structures and roles and resources for Programme management

Key milestones for governance and management of the Programme

Key milestones for programme planning

- | | |
|-----------------------------------|--|
| - Issue of PIDS | once Programme Board has agreed templates |
| - Receipt of draft PIDs | within 4-6 weeks of issue (to be agreed) |
| - Approval /Consideration of PIDs | at subsequent Programme Board |
| - Creation of FBCs | will vary according to complexity of project |
| - Approval of Finalised PIDS | at relevant Programme Boards |

Programme Financial Budget and Profiles (for PIDs and FBCs; Programme; and individual projects)

Benefits Identification - against which Programme success is judged (the positive outcomes, direct or indirect, that the programme is being undertaken to achieve and that justify the investment). There should be an emphasis on benefit optimisation in terms of regeneration and economic development. This will be supported by a benefits profile for programme and each project.

Key milestones for programme delivery

- Approval, Delivery and Governance milestones for each project
- Development of appropriate capability for delivery of each project
- Financial milestones for each project

Dependencies – internal and external

Programme Assumptions

Exception & Contingency Plan – to address deviation beyond the tolerance levels agreed by Programme Board

Risk Register for Programme

Issues Log

Communication Plan

Stakeholder Management Plan

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**ARGYLL AND BUTE COUNCIL
DEVELOPMENT SERVICES**

**CHORD MANAGEMENT PROJECT
BOARD
20 March 2009**

INDICATIVE EU FUNDING FOR CHORD

1. SUMMARY

- 1.1** This report presents a summary of potential European funding options for the CHORD projects. The figures contained within the report are indicative only and must be subject to due process in assessing eligible costs following detailed consideration of the Full Business Cases once they are developed.

2. RECOMMENDATIONS

- 2.1** (i) To note the report as an indications of potential European funding into CHORD projects.
(ii) To consider the role of the European Unit in the CHORD board project planning process.

3. BACKGROUND

- 3.1** European funding presents an opportunity to maximise the activities that are planned as part of the CHORD projects. With grant rates between 25% and 75% of eligible costs available, assessing the eligibility of expenditure is an important consideration for the Project Board. European funding can also complement other external funders such as the lottery and active engagement is underway with the External Funding Officer to ensure that all external funding opportunities complement each other.
- 3.2** The Council has been given a strong indication by the Highlands and Islands ERDF Programme Director and by the Scottish Government Managing Authority that as there is a significant underspend in the Highlands and Islands ERDF Programme and that they are very keen to work with us to identify eligible projects for grant assistance.
- 3.3** However it is important to note at this stage that European funding has strict eligibility criteria and that these criteria relate to economic development outcomes. The information currently available from the CHORD project Outline Business Cases is not sufficiently detailed to enable a definite level of grant to be

identified. This will be developed once the Full Business Cases are complete. It is important that CHORD projects are placed within the context of wider economic development and regeneration rather than presented as purely physical and environmental projects.

3.4 It is also important to note that an application for European funding cannot proceed prior to all statutory permissions, such as planning, being in place.

3.5 The European Manager has attended the Dunoon and Rothesay Project Boards. In developing the Full Business Cases, officers with European funding knowledge are available to support all of the Boards and project teams.

4. CONCLUSION

4.1 There is significant potential for the CHORD projects to benefit from European funding, but this will be subject to eligible costs being identified in the Full Business Cases.

4.2 The European Unit has prioritised CHORD in its work programme and will be available to advise all the Boards and project teams.

5. IMPLICATIONS

Policy: The CHORD projects take forward the Councils approved Local Plan policy for town centre regeneration. Economic outcomes from these projects fit with the Government's Economic Strategy.

Financial: Additional income from European grants would enhance the CHORD project budgets.

Personnel: Existing officer time is allocated through the work plan.

Equal Opportunity: All European projects are required to comply with Equal Opportunities.

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LIST OF BACKGROUND PAPERS:

1 Appendix A – Table of indicative European funding.

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CHORD Indicative European Funding Potential

This table gives *indicative figures only*. Eligible costs can only be established once information from the Full Business Cases is examined. Some projects have an indicative ERDF figure because although the full business case detail is not available, there are elements of the projects that match the scope of the European Programme priorities. Other projects have no indicative ERDF at present because there are no clearly defined activities that fit with the scope of European Programme priorities.

Project	Programme	Priority	Intervention rate	Comments	Identified Council contribution	Maximum Council matched ERDF	Total Project Cost	Maximum Project ERDF (assuming all costs are eligible)
1.0 Campbelltown								
1.1 Kinloch Road including road improvements	H&I 2007-13	3 - Enhancing Peripheral and Fragile Areas	up to 25% of eligible costs	The intervention rate for locally significant roads is 20%. This increases to 25% if the road is part of a Community Planning package of works (see below). This would be the preferred option.	£1m (road only)	£250,000	£8m	Further breakdown of project detail required to determine eligible costs.
1.2 Townscape Heritage Initiative	H&I 2007-13	2 - Enhancing key drivers of sustainable growth	up to 40% of eligible costs	Townscape heritage renewal could be eligible as part of a Community Planning package of projects, with linked ESF heritage skills development and training projects.	£300,000	£120,000	£1.3m	£520,000
1.3 Townscape Heritage Initiative	INTERREG Cross Border and Enterprise	2 - Tourism	up to 75% of eligible costs	This activity could be eligible for a transnational town centre regeneration project. This would attract a higher intervention rate than the H&I Programme. It would require enhanced officer time in the transnational elements of the project and would be dependent on finding partners with a similar project idea. Business Improvement District activity could also be an eligible element if developed.	£300,000	£210,000	£1.3m	£975,000

Project	Programme	Priority	Intervention rate	Comments	Identified Council contribution	Maximum Council matched ERDF	Total Project Cost	Maximum Project ERDF assuming all costs are eligible)
2.0 Helensburgh								
2.1 Town centre streetscape initiative	INTERREG	2 - Tourism and Enterprise	up to 75% of eligible costs	The focus of the project on environmental enhancement is not clearly eligible for ERDF funding support. Links to business development or employment would generate greater synergy with European funding, possibly INTERREG as with Campbelltown and Rothesay above.	£3.31m	Further information from FBC required to identify eligible components	£3.31m	Further information from FBC required to identify eligible components
2.2 West Bay Esplanade	INTERREG	2 - Tourism and Enterprise	up to 75% of eligible costs	As above	£3.35m	Further information from FBC required to identify eligible components	£3.35m	Further information from FBC required to identify eligible components
3.0 Oban								
3.1 Development Road	No clear eligible Programme				£5.9m		£15m	
3.2 Yacht Haven (Transit Marina)	H&I ERDF 2007-13	Priority 1 - Enhancing Business Competitiveness, Commercialisation and Innovation	up to 40% of eligible costs	The marina itself is not eligible, but any shore side business related units may be eligible for H&I ERDF Programme Priority 1.	£1m	Further information from FBC required to identify eligible components	£1.63m	Further information from FBC required

Project	Programme	Priority	Intervention rate	Comments	Identified Council contribution	Maximum Council matched ERDF	Total Project Cost	Maximum Project ERDF (assuming all costs are eligible)
4.0 Rothesay								
4.1 Townscape Heritage Initiative	H&I 2007-13	2 - Enhancing key drivers of sustainable growth	up to 40% of eligible costs	Townscape heritage renewal could be eligible as part of a Community Planning package of projects, with linked ESF heritage training projects (c.f. Orkney)	£300,000	£120,000	£1.3m	£520k
4.2 Townscape Heritage Initiative	INTERREG Cross Border	2 - Tourism and Enterprise	up to 75% of eligible costs	As Campbeltown above	£300,000	£210,000	£1.3m	£975,000
4.3 Pavilion refurbishment	H&I 2007-13	2 - Enhancing key drivers of sustainable growth	40% max of eligible costs	Eligibility for this project would be based on the final use of the building. Business uses would be better suited to Priority 1 and Community, training etc uses to Priority 3. Heritage Tourism would be eligible under Priority 2.	£2.1m	£840,000	£5m	£2m
5.0 Dunoon								
5.1 Major waterfront project - marine works	No clear eligible Programme			Ground reclamation does not fit with the existing programmes.	see below for total Council contribution		see below for total project cost	
5.2 Major waterfront project - building	No clear eligible Programme			The final use of the proposed building is necessary to identify an appropriate programme and eligible costs.	see below for total Council contribution	Further information from FBC required to identify eligible components	see below for total project cost	Further information from FBC required to identify eligible components

Project	Programme	Priority	Intervention rate	Comments	Identified Council contribution	Maximum Council matched ERDF	Total Project Cost	Maximum Project ERDF assuming all costs are eligible)
5.3 Major waterfront project - marina	H&I ERDF 2007-13	Priority 1 - Enhancing Business Competitiveness, Commercialisation and Innovation	up to 40% of eligible costs	The marina itself is not eligible, but any shore side business related units may be eligible for H&I ERDF Programme Priority 1.	£8.3m	Further information from FBC required to identify eligible components	£27.5m	Further information from FBC required to identify eligible components

European Social Fund (ESF)

A range of different project activities could take place as part of the CHORD packages with ESF funding. The key areas would be employability, skills and business development/support schemes. These could be linked specifically to heritage skills in Rothesay and Campbeltown or to wider construction skills in all the other CHORD project areas. There are significant opportunities to deliver elements of the Helensburgh programme of environmental improvements in partnership with the Employability Team. Links with ESF will strengthen the overall economic benefit to the area from CHORD. ESF projects are supported at 50% of eligible costs.

Community Planning Package - Highlands and Islands Programme

There is a ring fenced allocation for Community Planning Partnerships to bid for an integrated ERDF/ESF package of projects in the Highlands and Islands. This would allow for an increased intervention on roads projects (+5%) and for the inclusion of small scale marina projects such as Campbeltown. There is now an opportunity to develop a CPP ERDF/ESF package to take maximum advantage of the CHORD match funding and proposed partner investments such as the ACHA development at Kinloch Road. This could be complemented by a package of ESF projects relating to skills development in the local area.

Business Improvement Districts

European funding opportunities may also be available for the development of Business Improvement Districts. These are areas where the private sector and public sectors work together to develop and invest in the quality of town centres, in business, service and environmental actions to boost economic activity in the area. This type of activity could be integrated into the CHORD projects where the private sector has a strong interest in investing in the local environment.