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Argyll and Bute Council
Comhairle Earra Ghaidheal agus Bhoid

Customer Services
Executive Director: Douglas Hendry



Kilmory, Lochgilphead, PA31 8RT
Tel: 01546 602127 Fax: 01546 604435
DX 599700 LOCHGILPHEAD
e.mail –douglas.hendry@argyll-bute.gov.uk

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SUPPLEMENTARY AGENDA PACK 1

I enclose herewith item 7 (**STRATEGIC PROGRAMME BOARD – DISCUSSION PAPER**) which was not previously included on the above agenda.

Douglas Hendry
Executive Director - Customer Services

BUSINESS

7. STRATEGIC PROGRAMME BOARD - DISCUSSION PAPER

Joint Report by Executive Director - Development and Infrastructure Services and Executive Director – Customer Services (Pages 1 - 6)

CHORD PROGRAMME MANAGEMENT BOARD

Councillor Roderick McCuish (Chair)	Councillor John Semple (Vice Chair)
Sally Loudon	Douglas Hendry
Sandy Mactaggart	Bruce West

Contact: Hazel MacInnes Tel: 01546 604269

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ARGYLL AND BUTE COUNCIL**CHORD PROGRAMME MANAGEMENT
BOARD****DEVELOPMENT & INFRASTRUCTURE
SERVICES AND CUSTOMER SERVICES****05 March 2013**

STRATEGIC PROGRAMME BOARD – DISCUSSION PAPER

1. SUMMARY

- 1.1 This paper proposes a structure for how the Council might more effectively and efficiently manage the inception, development and delivery of strategic projects.

2. RECOMMENDATIONS

- 2.1 The CHORD Programme Management Board is asked to:
- 2.2
- Consider the contents of this paper and the proposed formation of a Strategic Programme Board and Governance structure;
 - Request the Executive Directors for Development & Infrastructure and Customer Services to develop these proposals for consideration by Members in the first instance.

3 BACKGROUND

- 3.1 The Council is currently progressing a number of Strategic Projects which include the CHORD programme, the development of the proposed new school facilities in Dunoon, Oban and Campbeltown, the development of the Design/Full Business Case for the Helensburgh CEC offices to RIBA Stage D, the development of the TIF business case for the Lorn Arc, the sale and development of Castle Toward and the potential development of the Helensburgh Pier Head and former Hermitage Academy sites.
- 3.2 These developments are being progressed at a time when the future capital budget is likely to be reduced significantly from historic and current levels of funding. At the same time, the Council faces heightened pressure on its ability to sustain its current portfolio of assets, with necessary reductions in revenue maintenance budgets impacting upon its roads, infrastructure assets and schools. There may be synergies and interdependencies in these projects and they should not be looked at in isolation.
- 3.3 Over the course of the last 2 years there has been a steady development and increasing interaction of strategic planning and project management skills between Customer Services (CS) and Development & Infrastructure (D&I). This approach has developed organically and is seen to have delivered increasing benefits in terms of developing holistic and joined up solutions. Likewise with respect to housing, Community Services has worked with D&I and CS with regard to Dunbeg and most recently the former Hermitage Academy Site.

- 3.4 It is considered that the application of the Council's current Corporate Asset Management Strategy and Corporate Asset Management and Capital Plan show that there is now an opportunity to better integrate the Council's policy development, strategic planning, governance and project delivery responsibilities, to ensure there is a clear and coherent lead in terms of strategic projects.
- 3.6 Given there is a clear policy direction from Members with regard to supporting and promoting the preservation and growth of the local economy, it is important that the Council uses its capital resources and its human resource capability in the most strategically beneficial way as possible over the next period, to maximise (and be seen to maximise) the economic and social return on any capital investment it makes.
- 3.7 The Asset Management Board has a clear focus upon Asset Sustainability and has in place through the development of Service Asset Management Plans and associated Asset Sustainability Business Cases, processes to manage this effectively. There is, however, no specific governance framework which can, in a holistic and strategic sense, guide the development, prioritisation, timetabling and associated resource allocation for all strategic projects (capital, economic development or service improvement).

4 PROPOSED STRATEGIC PROGRAMME BOARD

- 4.1 Having regard to the current position it is proposed that consideration should be given to introducing a Strategic Programme Board (SPB) to provide a clear unified governance structure to examine and consider existing and new projects from inception to delivery. The SPB would act within a remit specified by the Council and would have authority only to make recommendation to the Council on projects to be advanced, and the provisions of the Strategic Asset Management Plan and the Capital Programme. The final form of the Strategic Asset Management Plan and the Capital Programme would be matters for final determination of the Council as is currently the case.
- 4.2 The membership of the SPB would the Leader, Depute Leader and nominated Members. The Chief Executive, Executive Directors and Heads of Service would attend the SPB in an advisory capacity.
- 4.3 It is proposed that the area CHORD Project Boards would cease to exist and have their functions subsumed into those of the SPB and the relevant Area Committee.
- 4.4 The Area Committees would have the power of scrutiny and oversight of the delivery of projects in their area with the further power to report and make recommendation to the SPB.

5 STRUCTURE – ROLES - AREAS OF ACTIVITY

5.1 Remit of Strategic Programmes Board

The remit of the SPB, to be more fully developed, would review the proposed projects, report these to the Council with any relevant recommendation and, once

approved, act as the Council's overseer in respect of the development and delivery of these. The SPB would also make recommendation to the Council on projects to be advanced, and the provisions of the Strategic Asset Management Plan and the Capital Programme. The final form of the Strategic Asset Management Plan and the Capital Programme would be matters for final determination of the Council.

Structure

5.2

The proposed structure is set out in appendix 1 hereto would be for;

1. A clear policy direction to be determined by the Council;
2. The creation of the Strategic Programme Board by Members based on the above remit;
3. A governance process for the proposal of new projects to the SPB for consideration and recommendation by them;
4. A separate governance strand from the SPB to the Council for approval of projects;
5. A separate governance strand in relation to the reporting of capital and infrastructure planning to the Council;
6. A separate governance strand in relation to the reporting of the Council's Capital Programme and Strategic Asset Management plans so that the SPB may have oversight of all matters directly impinging upon the delivery, maintenance and management of the Council's infrastructure and assets and make appropriate recommendation to the Council in that regard.

Roles and Responsibilities

5.3

1. The Council would continue to set policy and direction;
2. The SPB membership would consist of nominated Members;
3. The SMT would sit as advisers to the SPB;
4. Area Committees would have the power of scrutiny and oversight of the delivery of projects in their area with the further power to report and make recommendation to the SPB;
5. The project sponsor – this would be the Head of Service or relevant officer who has proposed the project to the SPB;
6. Senior responsible officer – the SRO would be the person nominated to oversee the overall delivery of the project and report to the SPB;
7. Project manager – this would be the nominated officer to manage the day to day operation of delivery of the project;
8. Project team member would be the relevant Council officer contributing as part of the project team to the overall delivery of the project (undertaking general or specified roles in part or all of that delivery) and reporting the project manager. The project team member may be internal or external.

Areas of General Activity in Regard to Proposed Project

5.4

It is envisaged that projects for proposal and subsequently for development and delivery would fall into a number of categories among which might be;

1. Economy – those which deliver a positive economic impact on the area such as CHORD.

2. Capturing benefit from other Areas of activity – such as the Council’s current NPDO, Helensburgh Pier Development and Development of proposed School facilities in Campbeltown, Oban and Dunoon.

Other key disciplines which will be expected to contribute at a strategic level will be:

- Planning Policy
- Planning – Development Management
- Housing
- IT
- Legal
- Finance
- Procurement

6 STRATEGIC PROJECT DEVELOPMENT & STRATEGIC PROGRAMME BOARD

- 6.1 Future strategic projects will continue to derive from the Council’s policy set by Members. In the first instance, the Project Sponsors and SROs will have responsibility for the development of Initial Business Cases for consideration by the Strategic Programme Board. Consideration of IBCs can therefore be considered on a holistic, strategic and “whole Council” basis which will provide for early decision making as to whether projects will be integrated within the Council’s strategic planning, or stopped at an early stage of development.
- 6.2 Outwith the area of specific project development, it is anticipated that the Strategic Programme Board will have the ability to provide advice and recommendation on policy direction where relevant and appropriate, or direct particular issues to either the Council as required.

7 CORPORATE ASSET MANAGEMENT PLANNING & THE ROLE OF THE ASSET MANAGEMENT BOARD

- 7.1 Mirroring in part the “whole year” approach towards Revenue Budget Planning undertaken by the Budget Working Group, the Strategic Programme Board could have a role in developing the Council’s Corporate Asset Management & Capital Plan, to ensure its integration with revenue planning and its coherence in terms of targeting and fulfilling policy objectives and corporate priorities; for example the economy and/or quality of life for our communities. The Strategic Programme Board should be satisfied as to the “Return on Investment” that will be delivered from the Capital Programme.
- 7.2 The Asset Management Board has made good progress, particularly focusing on Asset Performance Management and Asset Sustainability. The proposed Strategic Programme Board provides an opportunity to provide further governance, direction and challenge to the Asset Management Board.

8. CONCLUSION

This paper is a discussion paper which proposes the formation of a Strategic Programmes Board to oversee the development and governance of the Council’s

Strategic Projects.

9. IMPLICATIONS

Policy: As per paper

Finance: As per paper.

Legal: None at present.

Equal Opportunities None at present.

Customer Service None at present.

Risk None at present.

