



Oldham
Council

Report to Audit Committee

Project Governance Process – Alexandra Park Eco Centre

Portfolio Holder: Councillor Abdul Jabbar MBE – Deputy Leader and Cabinet Member for Finance and Low Carbon

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Reason for Decision

As requested at the last Audit Committee meeting, this report has been prepared to inform the Committee about the Gateway review process for major capital projects. It provides a specific example of the Council's governance processes– in this case the Alexandra Park Eco Centre.

Executive Summary

The Council has set in place a robust governance process for each of the projects within the Creating a Better Place Programme as well as other major capital schemes. Following a request from the Audit Committee, this report sets out how a major project (the Alexandra Park Eco Centre project) has complied with the governance process. In particular, it presents how the project has and is managed on a daily/weekly basis, and importantly, the approvals it has had to obtain as it evolved to the point where a main contractor is about to be appointed.

Recommendations

Audit Committee is requested to note the governance process that a large capital project, such as the Alexandra Park Eco Centre, is required to adhere to.

1. Background

- 1.1 It is important that a large capital project such as the Alexandra Park Eco Centre is subject to a rigorous governance process given the large sums of public money that such a project expends. Set out below is a brief description of this process.

2. Establishment of a Project Board

- 2.1 The establishment of a Project Board for a capital project is crucially important. Project Boards are the primary governance group that oversee a project during its lifecycle. They ensure a project meets its objectives and takes action if it goes off plan. The Alexandra Park Eco Centre Project Board meets monthly and is chaired by the designated Senior Responsible Officer – in the case of the Eco Centre project, it is the Head of Regeneration and Development. Other members of the Board include the client-side Project Manager and representatives from the Council's Finance, Legal, Procurement and Environmental Services departments.

3. Day to Day/Weekly Management

- 3.1 A major project needs to maintain its momentum between Project Board meetings. To this end, the Eco Centre Project established an officer working group that meets on a weekly basis. At these meetings, issues that have arisen over the previous week are discussed and solutions agreed. If necessary, decisions/issues are referred to the next Project Board meeting.

4. Council Approvals

- 4.1 Ultimately, projects cannot progress without Council approval. Given the complexity of the Eco Centre project, at various stages approval has had to be sought from a range of sources including the Head of Regeneration and Development, the Director of Economy (both within their delegated authority levels) and Cabinet. In the run up to Cabinet approval, reports have been considered by various officer groups, the Corporate Property Board, and the Capital Investment Programme Board.
- 4.2 The attached Appendix sets out the list of Council approvals that the Eco Centre project has obtained since 2018. During this period, the project has been considered three times by Cabinet – the last time being on 20 September 2021 when approval was given to appoint the preferred main contractor for the project.

5. Gateway Reviews – Strategic Outline and Full Business Cases

- 5.1 In order for a project such as the Eco Centre to progress, both a Strategic Outline and Full Business Case needs to be approved. Each of these detailed business cases is considered by Gateway Panels comprising of senior officers and other staff members who have not had a direct input into the given project. This is to allow the opportunity for an independent review and challenge and has proved effective.

5.2 *Alexandra Park Eco Centre – Strategic Outline Case*

5.2.1 The Strategic Outline Case provides a relatively high-level justification for a capital project. It also provides Gateway Panel members with several options regarding the project, ranging from do-nothing through to the preferred/recommended way forward. Gateway Panel members are given the opportunity to ask project staff members questions about the project. The Eco Centre project's Strategic Outline Case was presented to the project Gateway Panel on 3 June 2020. Following this, a further panel reconvened on 23 June. At this panel, project staff members provided further clarification on issues raised by panel members at the previous meeting. Following this, the project was approved to proceed to its next design stages, prior to being put out to tender. It should be noted that due to the need to reduce the level of capital expenditure committed to the Creating a Better Place Capital Programme during the summer of 2020, the project scope and budget was reduced. This led to an element of redesign which culminated with Cabinet (25 January 2020) giving approval for the reduced scope project being issued for tender in May 2020.

5.3 *Alexandra Park Eco Centre – Full Business Case*

5.3.1 Following the receipt of tenders in July 2021, a detailed Full Business Case was issued to a second Gateway Panel on 12 August 2021. Essentially, a Full Business Case builds on the Strategic Outline Case but provides more focus on the preferred option. In terms of the Eco Centre project, the Full Business Case provided a justification for the Council proceeding with the project. In particular, it provided panel members with a more robust budget estimate that, importantly, included the preferred contractor's price. Following the panel meeting, panel members issued the staff project team with a detailed list of questions and requests for clarification. Once these were addressed, a further report was submitted to Cabinet on 20 September, recommending approval of the Full Business Case and the appointment of the preferred contractor.

6 **Alexandra Park Eco Centre – other approvals**

6.1 As described above, a project such as the Eco Centre project is subjected to a robust process of Gateway and Cabinet approvals. However, interspersed with these approvals, projects are also subject to other approval and scrutiny processes that include delegated reports (for example, the appointment of a consultant) and presentations to the Overview and Scrutiny Committee.

7 **Creating a Better Place Programme Governance**

7.1 The Eco Centre Project is one of a suite of capital projects that falls within the Council's Creating a Better Place programme. It is important, therefore, that there is effective co-ordination throughout the programme. As such, monthly progress meetings take place for all six themes within the Creating a Better Place Programme. The Eco Centre project falls within the Economy Theme meeting which is chaired by the Head of Regeneration and Development. At these meetings, project leads present PowerPoint slides on each of their projects. This allows for constructive scrutiny and an opportunity to discuss issues that may impact on the wider Creating a Better Place programme. Following the Economy Theme meeting, projects are then

presented to the Creating a Better Place Operation Board at which senior officers are informed of progress and relevant issues.

8 Conclusion

8.1 A major capital project such as the Eco Centre project requires effective governance. This report, and the attached Appendix, illustrates the detailed scrutiny to which a project such as this is quite properly subjected to.

9 Consultation

9.1 Consultation has taken place with Senior Officers and Members throughout the project's life from inception to full approval.

10 Financial Implications

10.1 There are no financial implications included within this report.

11 Legal Services Comments

11.1 There are no Legal implications.

12 Co-operative Agenda

12.1 Following a robust governance process and showing transparency on the decision-making process, ensure the Citizens of Oldham that the Council operating within a cooperative ethos.

13 Human Resources Comments

13.1 There are no Human Resource implications.

14 Risk Assessments

14.1 There are no Risk implications.

15 IT Implications

15.1 There are no IT implications.

16 Property Implications

16.1 There are no Property implications.

17 Procurement Implications

17.1 There are no Procurement implications.

18 **Environmental and Health & Safety Implications**

18.1 There are no Environmental and Health & Safety implications as a result of this report.

19 **Equality, community cohesion and crime implications**

19.1 There is no equality, community cohesion and crime implications.

20 **Equality Impact Assessment Completed?**

20.1 Not Applicable

21 **Key Decision**

21.1 No

22 **Key Decision Reference**

22.1 Not Applicable.

23 **Background Papers**

23.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background papers are contained with Appendix 1
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24 **Appendices**

24.1 Appendix 1 – Alexandra Park Eco Centre – Governance Reporting

Appendix 1

Alexandra Park Eco Centre – Governance Reporting

	Report/Presentation	Date
1	Delegated report seeking approval for entering a lease for a new substation	28 September 2021
2	Cabinet report seeking appointment of contractor and approval of the Final Business Case (FBC) and revised resource allocation	20 September 2021
3	Submission to the Capital Investment Programme Board (CIPB) of the draft Cabinet report for review and recommendation to Cabinet	16 September 2021
4	Gateway 3 - Full Business Case consideration	12 August 2021
5	Delegated report seeking approval for exemption from contract procedure rules for the purchase of a transformer for the new substation	25 June 2021
6	Delegated report seeking approval to purchase a transformer for the new substation	25 June 2021
7	Cabinet report seeking approval of a revised resource allocation	25 January 2021
8	Submission to the Corporate Property Board (CPB) of a draft Cabinet report seeking approval of a revised resource allocation.	17 December 2020
9	CPB report depot options report	24 September 2020
10	CPB Briefing Note on the Eco Centre procurement route	16 July 2020
11	Gateway 2 Panel – Outline Business Case (second meeting)	23 June 2020
12	Gateway 2 Panel – Outline Business Case (first meeting)	3 June 2020
13	Delegated report for appointment of project manager	18 March 2020
14	Peer Review meeting with Cabinet Member for Finance	22 January 2020
15	Overview and Scrutiny Board presentation	21 January 2020
16	Delegated report for the appointment of the M&E engineer	14 August 2019
17	Delegated report for the appointment of multi-disciplinary design team	7 August 2019

18	Cabinet considers report and approves an initial allocation of capital resources	28 January 2019
19	Submission to CIPB of a report recommending to Cabinet the approved resource allocation	10 December 2018
20	Monthly Board meetings	Ongoing
21	Monthly Economy Theme Meetings	Ongoing
22	Monthly Operation Board Meeting	Ongoing