
NORTH AYRSHIRE COUNCIL

1 June 2021

Audit & Scrutiny Committee

Title:	Growth & Investment Governance Framework
Purpose:	To seek approval of North Ayrshire Council's internal governance arrangements for managing the Growth and Investment project development stages, including Ayrshire Growth Deal projects.
Recommendation:	It is recommended that members approve the Growth & Investment Governance Framework.

1. Executive Summary

1.1 The Growth & Investment team was established within North Ayrshire Council in 2019 as part of an organisational restructure to maximise the potential of major programmes of investments in North Ayrshire, including capital projects funded through the Ayrshire Growth Deal. Growth & Investment focuses on investment in key development locations including Great Harbour and i3 (both Irvine), Hunterston and Ardrossan North Shore and Harbour; as well as key sectors including visitor economy, marine tourism and blue economy development. While there are established governance arrangements at a regional level, as part of the development of delivery of these programmes, it is essential to have a robust internal governance system in place within North Ayrshire Council. This report seeks approval for a Governance Framework (Appendix 1), which sets out a framework to support internal programme and project management procedures to provide robust and effective programme and project delivery mechanisms.

2. Background

2.1 While the Ayrshire Growth Deal establishes regional governance arrangements, the scale and complexity of the programmes and projects within the Ayrshire Growth Deal, and their colocation with other significant investments and activity, mean there is a requirement for internal governance to provide the Council with assurance of effective and robust development and delivery of programmes and projects.

2.2 As such, the Governance Framework (Appendix 1) has been developed to provide a system of governance to support internal programme and project management procedures, reporting, risk treatment and escalation. The Framework has been developed to align with best practice and industry standard programme and project management governance systems.

2.3 Given the complexity of the programmes of investment, the model was developed and implemented over the course of 2020/21 with input from the Council's Senior Manager

for audit. This was intended to provide a 'live testing' of the arrangements to enable the governance model to evolve in response to issues arising through implementation. A final review of the arrangements was undertaken in April 2021, reflecting on issues arising through implementation, with further input from the Council's Senior Manager for audit.

- 2.4 It should be noted that regional governance arrangements are not duplicated in the Governance Framework; but reference is made, within the Governance Framework, to regional governance arrangements, along with arrangements to access regional governance through the Ayrshire Growth Deal website. This ensures that the Framework remains up to date, even if changes are made at a regional level.
- 2.5 It is recommended that annual monitoring of progress in delivering the Ayrshire Growth Deal within North Ayrshire also considers any issues arising that give rise to a need to update governance arrangements, given that the complexity involved in some projects and programmes may demand change. Any such future modifications would be presented to the Audit & Scrutiny Committee for consideration and approval as required.
- 2.6 As outlined above, the governance mechanisms are developed to best practice standard and it should be noted that the governance arrangements proposed are in line with best practice findings in the [Audit Scotland report: Scotland's City and Regional Growth Deals](#), which was the subject of a previous Audit & Scrutiny Committee [report](#) in November 2020.

3. Proposals

- 3.1 It is recommended that members approve the Growth & Investment Governance Framework.

4. Implications/Socio-economic Duty

Financial

- 4.1 The Governance Framework provides governance mechanisms for the implementation of Ayrshire Growth Deal and related projects, including financial management procedures.

Human Resources

- 4.2 No direct implication.

Legal

- 4.3 No direct legal implications, however, the proposed governance arrangements, including risk and financial controls, will protect the Council.

Equality/Socio-economic

- 4.4 No issues arising.

Environmental and Sustainability

4.5 No issues arising.

Key Priorities

4.6 The proposals meet a number of the Council Plan priority outcomes, including:

- North Ayrshire has an inclusive, growing and enterprising economy
- North Ayrshire has active and strong communities
- North Ayrshire is well-connected with effective infrastructure
- North Ayrshire is a sustainable environment
- North Ayrshire is a vibrant, welcoming and attractive environment

Community Wealth Building

4.7 Community wealth building and regional skills programmes within the Growth Deal are also being advanced, which will assist the implementation, and impact of projects to be targeted to maximise opportunities to create local community wealth and inclusive growth. Governance arrangements being developed, regionally and locally will consider community wealth building.

5. Consultation

5.1 No consultation has been undertaken in preparing this report.

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For further information please contact **Neale McIlvanney, Strategy & Programme Manager**, on **01294 324686**.

Appendix 1 – Growth & Investment Governance Framework

GROWTH & INVESTMENT GOVERNANCE FRAMEWORK

May 2021



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

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Introduction

The Growth & Investment Governance Framework provides detailed governance arrangements for the operation of the work of the programme of capital and revenue activity led by Growth & Investment, the integration of arrangements for the management of Ayrshire Growth Deal project development and integration with wider programme activity that seeks to maximise the economic impact of the Growth Deal.

This document provides:

- Reference to the roles, remit, functions and responsibilities falling with Growth & Investment;
- Internal governance arrangements for providing robust scrutiny and project development and reporting mechanisms, relating to all officers involved in projects – ranging from projects officers to chief officers
- All Ayrshire regional governance arrangements including those relating to: -
 - Ayrshire Growth Deal (and finance and programme management arrangements)
 - Ayrshire Economic Partnership Board
 - Ayrshire Joint Economic Committee
- Risk Management Approach
- Programme reporting and projects management including: -
 - Approach to development and approvals of business cases
 - Project management templates (programme overview, risk log, finance tracking and action log)
- Regional and local audit and scrutiny arrangements
- Change Process for managing project change that arises throughout the delivery of the programmes

North Ayrshire Council: Growth & Investment

The priorities of the Growth & Investment are embedded into the [North Ayrshire Council Plan 2019-2024](#).

Growth & Investment

By the very nature of the work and receptibilities of Growth & Investment necessitates an approach based on collaboration and partnership working across the Council and other stakeholders. Significant influencing responsibilities and capability will be required to successfully deliver the remit.

The key outcomes for Growth & Investment are: -

- To direct and coordinate investment and programme delivery of activity at the following locations: -
 - I3 Irvine
 - Hunterston
 - Ardrossan (incl Harbour, Marina, North Shore and town centre links)
 - Great Harbour, Irvine & Ardeer Peninsula
- Support the delivery of the Council Plan
- Support the Regional Economic Partnership in delivery of identified priorities, where related to Growth & Investment core functions.
- Lead the Council's development and delivery of Ayrshire Growth Deal capital projects
- Support leveraging investment through the Ayrshire Growth Deal.
- Responsibility for the visitor and coastal economy
- Lead the development of a sector strategy for the blue economy
- Leading, and working with other directorates, the economic growth components of the Council's commitment to being a net zero carbon Council by 2030, including the strategic positioning of Hunterston, IMSE and other investment programme activity being capable of shaping and influencing national, regional and local policies and decision-making around clean energy
- Support the Council's engagement with the Ayrshire regional economic partnership
- Embed community wealthbuilding into the Growth and Investment activities.

Core Investment Programmes

There are a number of core investment programmes that sit within the Growth & Investment's responsibilities. The Ayrshire Growth Deal Investment sits within those programmes and acts to catalyse significant leverage investment in a range of other activities to maximise the transformational impact of our investments.

The core investment programme includes the following strands:

Table 1 Core Investment Programmes (Capital)

Core Investment Programme	Constituent Projects
Ardrossan Estimated Programme Value C£150m	<ul style="list-style-type: none"> • Harbour (both land and marine infrastructure) • Ardrossan Community Campus (Executive Director Communities as project lead – though land implications relate to ANS so also requires G&I oversight) • Ardrossan North Shore (Inc. campus, coastal path, IMSE, potential residential use, remediation) • International Marine Science and Environment Centre • Ardrossan Marine Expansion • Hotel • Town centre enhancement • Low carbon hub
Great Harbour Estimated Programme Value C£100m	<ul style="list-style-type: none"> • Maritime Mile (including marina, gateway features and boardwalk) • Great Harbour Place Framework • Affordable Housing (Project responsibility of Place Directorate) • Oversight of any potential future Ardeer Peninsula projects
i3 Estimated Programme Value C£100m	<ul style="list-style-type: none"> • Digital Processing Manufacturing Centre Phases 0, 1 & 2 • Flexible Space Phased development • i3 Masterplan, including strategy for digital and clean energy provision within i3. • Strategic Investment Campus • Inward Investment Enquiries
Hunterston Estimated Programme Value C500m	<ul style="list-style-type: none"> • Development of a strategic proposition for Hunterston • Development of a ministerial taskforce for Hunterston and administration of programme arrangements • Socio-economic analysis of impact of accelerated nuclear decommissioning at Hunterston B station and development of a decommissioning strategy (led through Place) • Project Delivery Vehicle • Development of a phase 1 enabling Hunterston PARC innovation hub • Development of a site framework for Hunterston PARC to enable wider site activity and development • Partnership Working (Peel Ports Group, Crown Estate Scotland & Scottish Enterprise) • Inward Investment Enquiries
Marine Tourism Estimated Programme Value C£14m	<ul style="list-style-type: none"> • Ardrossan Marina (oversight within Ardrossan Programme) • Arran transit facility • Cumbrae transit facility • Making Waves Implementation • Coig Support • Events Programme
Digital Estimated Programme Value C£11m	<ul style="list-style-type: none"> • Subsea Cable • Digital infill programme

Regional Programmes (Revenue)

Although primarily the responsibility of the Place Directorate, Growth & Investment will support the development of regional skills and community wealth building Ayrshire Growth Deal programmes as appropriate.

Table 2 Regional Programmes (Revenue)

Community Wealth Building	Regional Skills and Inclusion
<ul style="list-style-type: none"> • CWB Business Locality Officers • CWB Fund • Fair Work Ayrshire 	<ul style="list-style-type: none"> • Working for a Healthy Economy • Skills Fund

Governance Framework

Executive Leadership Team

To support the ongoing programme approach to the core investment programmes, within which the Ayrshire Growth Deal projects sit, the Council's Executive Leadership Team will monitor Growth and Investment programme activity. The role of the Executive Leadership Team related to Growth & Investment will be to: -

- Receive updates on activity and project development on activity related to core investment programmes in an agreed project reporting template inclusive of key performance indicators to be developed through Programme Boards.
- To have regular oversight and input into project development related to activity falling within the core investment programmes, and to ensure that senior officers are aware of, and can steer, project concept development and risk and financial management of those projects. Headline progress on development of projects, high profile or escalating risks and key actions will be presented to, and considered by, ELT.
- Provide feedback to officers on draft business cases related to the development of projects – including those required for the drawdown of Ayrshire Growth Deal grant funds. ELT feedback will be sought on draft business cases, both prior to circulation of same to the Ayrshire Growth Deal Project Management Office; and prior to seeking formal approval of business cases from Cabinet and Ayrshire Economic Committee (Note: AEC approval only sought for approval of full business cases for Ayrshire Growth Deal).

Programme-Level Strategic Boards/ Project Boards

In addition to reporting programme headlines to ELT, a series of strategic programme-based project boards will be established for each of the with each programme/project lead will establish sub-board level working group, which should convene quarterly, to actively manage the coordination of programmes of activity with multiple individual project elements. All boards should operate with terms of reference agreed by the boards.

Programme Boards will be established to incorporate the Core Investment Programmes as follows: -

- Ardrossan Strategic Programme Board
- Great Harbour Programme Board
- I3 Programme Board
- Hunterston Programme Board
- Marine Tourism Programme Board

- Blue Economy Programme Board

Those boards will be chaired by the Director (Growth & Investment) unless another chair is appropriate and is agreed by consensus of the board members. Boards will be attended by all relevant chief officers and projects leads as appropriate for workstreams within the scope of that programme board. External partners may sit on Programme Boards as required to ensure coordination between projects that involve delivery partners. The programme boards will have a decision-making function. Programme Boards will operate on an exception reporting basis.

Project Boards will follow a similar structure and composition but will be designed to have a specific project focus, as opposed to programme activity monitoring carried out by Programme Boards. Project Boards will monitor the development and implementation of project through a gateway approval stage, where the project will require to meet and achieve certain milestones to be approved by the Project Board for progression to a further stage.

ELT reporting, and Programme and Project Boards will report through the templates contained in the Governance Framework appendices.

Regional growth deal projects will be operated through the Place Directorate, however where alignment in decision making requires to be developed between G&I and Place, arrangements will be established to coordinate project teams. Additionally, matters requiring to be reporting to ELT for consideration arising from revenue project may also be reporting via the monthly AGD ELT Update.

The digital core investment programme is currently managed by South Ayrshire Council. As such, it is not necessary to establish a North Ayrshire programme Board for this, however, monthly meetings with the Programme Manager (Growth & Investment) project lead within South Ayrshire Council will be established for monitoring and reporting and linkages into key NAC led projects. Any issues identified will be escalated initially to the Director (Growth & Investment) and to ELT as required. Where links between the SAC led regional projects and NAC capital projects occur, it may be appropriate to have an SAC representative on the relevant programme or project board.

It should be noted that the boards are not formal decision-making bodies of the Council. They are project and programme steering group, which provide a structured basis for taking key decision either under authority delegated to the project team or provide a platform to seek views on any matters that require to proceed to formal decisions, requiring authority.

A monthly Growth & Investment **Finance-Steering Group** will be established to review risk and finance issues by exception and to identify phasing and sequencing optimising strategy to identify opportunities to phase implementation of activity to maximise financial benefit and achieve best value. This Group will comprise of the following officers: -

- Head of Finance
- Director (G&I)
- Programme Manager (G&I)
- AGD Project Leads (as appropriate)
- Finance Manager
-

Growth & Investment Programme Coordination: As a result of the coverage of reporting mechanisms being managed through Programme and Project Boards by exception and ELT, CPAG and Risk Management mechanisms in place, there is no requirement for a general Growth and Investment Board. However, A monthly programme coordination meeting should be held for staff of Growth & Investment to overview performance, operational matters and common issues or other matters not addressed through other governance arrangements.

Finance Guidance has been issued by PMO to support the ongoing financial monitoring and arrangements for Ayrshire Growth Deal. This is appended to this Framework

North Ayrshire Council Project Management Governance Structure

Figure 3 provides a diagrammatic summary of the composition of the Growth & Investment Programme and Project governance system, its interconnectivity with other forms of governance and approval routes.

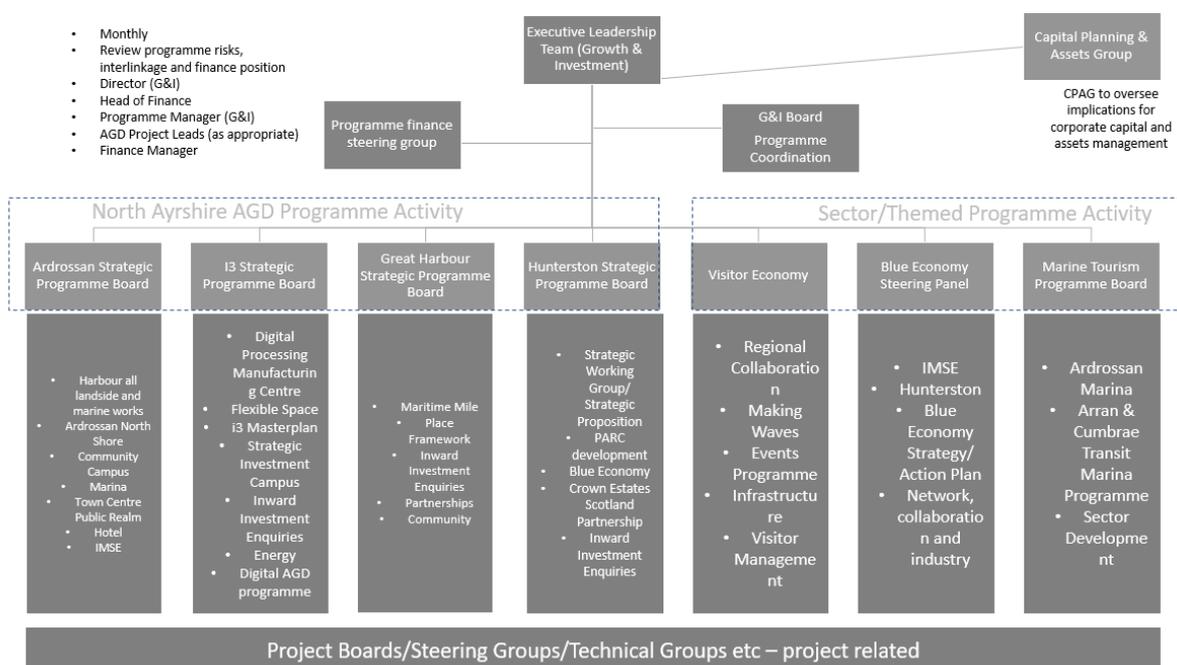


Figure 1 Governance Overview (Growth & Investment)

Regional Ayrshire Growth Deal Programme Governance

There are mandatory Ayrshire regional growth deal governance arrangements established as part of the establishment of the Deal. These are set accessible online here: [About The Deal | Ayrshire Growth Deal](#). The governance established at regional level is designed to align with local arrangements and should be implemented by project and programme staff, and organisationally, by North Ayrshire Council.

Risk Management

North Ayrshire Council is committed to a culture where employees are encouraged to develop new initiatives, improve performance and achieve goals safely, effectively and efficiently. This is supported by the appropriate application of good risk management practice, which applies across Council activity. This is embedded into the Growth & Investment Governance Framework to ensure consistency of management of risk, and that risk is managed effectively to identify and responding to significant, emerging or escalating risk – particularly in relation to how resources are managed relative to risks. The approach set out in this Governance Framework is applicable to Council-led projects, but also to projects where the Council is delivering in conjunction with a partner.

The Council promotes an environment that is risk 'aware' rather than risk 'averse' and will strive to place risk management information at the heart of key policy decisions.

The Council is committed to testing its capacity and tolerance for risk (referred to as 'risk appetite') in order to ensure that it is clear in its understanding of the total level of risk it is able or willing to accept. It is generally understood by all services that in normal circumstances:

- any low risk is acceptable without any further action to prevent or mitigate the risk;
- any moderate risk is tolerable providing that control measures implemented/introduced are cost effective;
- any high risk may be tolerable providing the Council is assured regarding the adequacy and effectiveness of the control measures in place. Any further control measures implemented or introduced must be cost effective in relation to the high risk;
- any very high risk is deemed to be unacceptable. Measures should generally be taken to terminate, transfer or treat a very high risk to a more tolerable position, although it recognised that some very high risks may be outwith the control of the Council.

The Council has established its [Risk Management Framework](#) to support effective risk management activity.

- appropriate, defensible, timeous and best value decisions are made;
- risk 'aware' not risk 'averse' decisions are based on a balanced appraisal of upside and downside risk and enable acceptance of certain risks in order to achieve a particular goal or reward;
- high achievement of objectives and targets;
- higher levels of morale and productivity;
- better use and prioritisation of Council resources;
- high levels of user experience/ satisfaction with a consequent reduction in adverse incidents, claims and/ or litigation; and
- further enhancement of the Council's good reputation both as an employer and as a public Key benefits of effective risk management

North Ayrshire Council embeds risk management throughout the Council by consistent application of the risk management process shown in Figure 6.

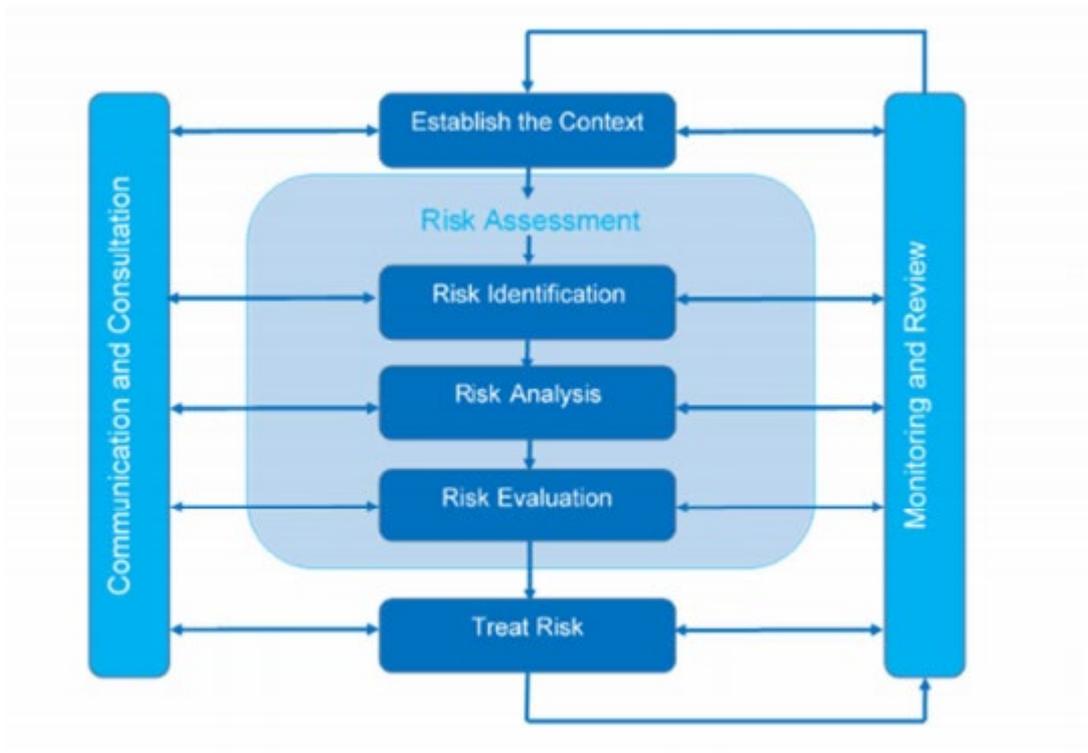


Figure 2 North Ayrshire Council Corporate Risk Process

Growth & Investment Programme and Project Management Framework

Within the Growth and Investment governance framework – i.e. the established project management arrangements in place through the Growth & Investment Project Board, and the monthly meetings of the Executive Leadership Team (convened for G&I activity) – there is a requirement to have in place suitable programme management arrangements to secure a consistent and fit for purpose arrangements for managing projects, while giving wider oversight of any programme of activity to which a project relates. This is critical recognising that a programme of activity may have multiple projects working to deliver a wider impact, but which must respond to different governance systems in place to deliver those projects – especially where projects are run in partnership with external organisations.

Business Cases

A fundamental component of the project management approach is the production of business cases in alignment with the UK treasury Green Book approach, which is the industry standard for business cases; and the expected format for Growth Deal cases. All Ayrshire Growth Deal projects will require to follow this format; internal business case 'house' style is also under review to reflect Green Book standard; and this is a recognised methodology for project management and development.

Table 3 provides information from Treasury Guidance expectations on the content of business cases: -

Table 3 Business Case Content Guide (UK Treasury Green Book)

Section	Expected Content
Strategic Case	<p><i>Strategic Context</i> Organisational overview Business strategy and aims Other relevant strategies</p> <p><i>The Case for Change</i> Spending objectives Existing arrangements Business needs – current and future Potential scope and service requirements Main benefits and risks Constraints and dependencies</p>
Economic Case	<p>Critical Success factors Long-listed options Preferred Way Forward</p> <p>Short-listed options (including the 'BAU' and 'do minimum') Net Present Social Cost (NPSC)/Net Present Social Value (NPSV) findings Benefits appraisal Risk assessment Sensitivity analysis Preferred option</p>
Commercial Case	<p>Procurement strategy and route Service requirements and outputs Risk allocation Charging mechanism Key contractual arrangements Personnel implications Accountancy treatment</p>

Financial Case	<p>Capital and revenue requirements</p> <p>Net effect on prices (if any)</p> <p>Impact on balance sheet</p> <p>Impact on income and expenditure account</p> <p>Overall affordability and funding</p> <p>Confirmation of stakeholder/customer support (if applicable).</p>
Management Case	<p>Programme management governance arrangements (roles, responsibilities, plans etc.)</p> <p>Project management governance arrangements</p> <p>Use of specialist advisers</p> <p>Change and contract management arrangements</p> <p>Benefits realisation arrangements (including plans and register)</p> <p>Risk management arrangements (including plans and register)</p> <p>Post implementation and evaluation arrangements</p> <p>Contingency arrangements and plans</p>

Business Cases should be produced considering the HM Treasury Checklist for Business Cases, as shown in Figure 7: -



Checklist for Assessment of Business Cases.

What stage has the case reached, is it at the :-
Strategic Outline; Business Outline or Full Business Case stage ?
Does the case include all the elements of the 5 case model, i.e.-:
Strategic; Economic; Commercial; Financial; Management ?
Is the information in each element complete enough for the stage reached ?
Is the case Green Book compliant ?

Strategic Case: (the case for change) should cover rationale, background, policy context and strategic fit.
Are there clear **SMART objectives in terms of** outcomes and are dependencies, constraints and risks identified ?

Economic Case: (Economic Appraisal)
Is there a reasonable range of options in the long & short lists ?
Is ruling out of potential promising options clearly justified ?
Are all economic costs and benefits clearly calculated for each year covered by the proposal with NPV calculated correctly (see over) ?
Is distributional analysis needed, who benefits, who pays ?
Are all costs and benefits quantified, if not is this justified ?
Are there any decisive unquantified cost/benefits and are they clearly explained ?
Are there appropriate sensitivity analyses, including worst case scenario ?
Are results of each option presented clearly including do nothing/minimum option?
Are risks, constraints and dependencies identified and managed ?
Is optimism bias properly included and aligned with risk ?
Are wider impacts assessed e.g. sustainability, competition, regulatory impact?
Is there a Benefits register; benefits realisation (delivery) plan ?
If PFI involved is tax properly treated and is risk transfer clearly achieved ?
Is best ViM = max NPV and if not do unquantified benefits justify the cost ?
Exchequer impact calculated separately and not included in NPV!
Are **monitoring** and **evaluation** costs included ?

Commercial Case:
Is the proposal commercially feasible / deliverable ?
What procurement is required; goods, services, land, buildings ?
What is the procurement strategy ?
What are the key contractual issues ?
There must be clear contractual key milestones and delivery dates

There must be clear agreed accounting treatment
Checklist for Assessment of Business Cases.

Is risk identified and managed and allocated ?
Is there a risk allocation table?
What if any are the personnel implications and is TUPE applicable ?

Financial Case: (Financial Appraisal)

Focus on affordability; is full budget funding secured and budgeted by all parties ?
What are the impacts on income/expenditure a/c and on balance sheet if applicable ?
Are potential cost over runs provided for are the any contingent liabilities?
Any guarantees ?

Management Case (programme or project management)

Is the proposal practically deliverable and what are the delivery plans ?
Are there clear delivery dates and detailed milestones ?
Does the proposal require programme or project management techniques ?
Is there a contract management plan ?
Change management requires a change management plan !
If in a controlled environment such as ICT use of PRINCE 2 is mandatory !
Does the plan include clear arrangements for OGC Gateway peer reviews ?
Is there a contingency plan with arrangements & provision for risk management ?
There should be a benefit realisation table and plan.
Does the plan include monitoring arrangements (who when how and costs) ?
Does the plan include post implementation evaluation arrangements (including who when how and costs)?

Notes on NPV calculation key issues (if in doubt, consult an economist)

Correct discount rate (3.5% real).
Figures in real terms/constant prices at base year, sunk costs excluded.
Opportunity costs of already-owned assets included.
Residual values included.
Double counting avoided.
Transfer costs / benefits excluded.
Uses only economic resource costs (payment good/service).
Financing items/sources excluded.
Second round effects included (e.g. only genuine job creation).
Tax/subsidy treatment must be non-distorting between options.

Figure 3 HM Treasury Checklist for Assessment of Business Cases

Approval Mechanisms

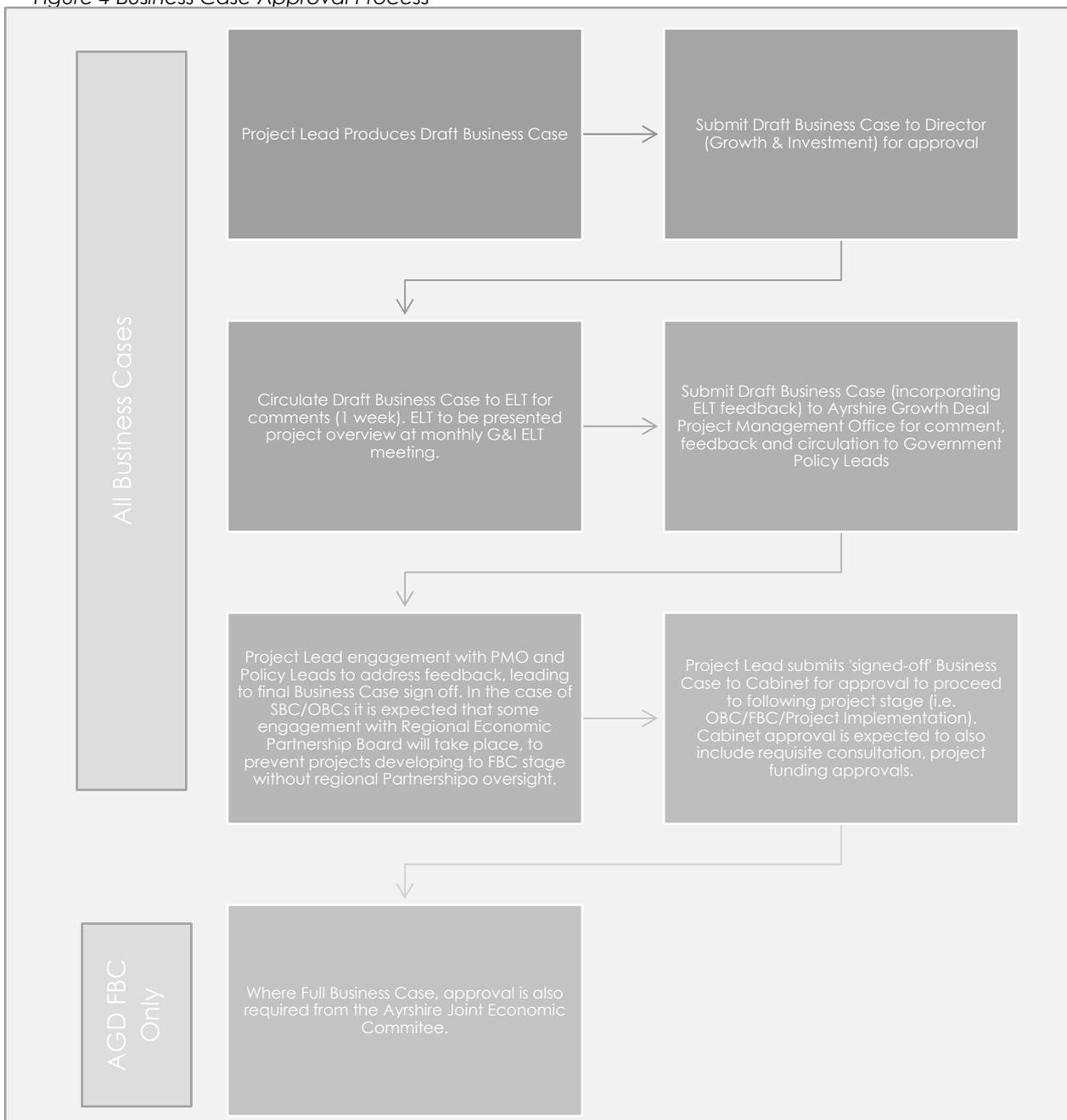
It is important that mechanisms for approvals of business cases is clear. The established governance arrangements for the Ayrshire Economic Partnership define the arrangements for approval of business cases insofar as the Partnership has oversight of progress with implementation of Ayrshire Growth Deal and will approve full business cases; and that the Ayrshire Growth Deal Project Management Office will provide feedback on draft business cases and coordinate Government feedback.



However, there is a requirement to ensure that the Council's executive leadership has strategic oversight of draft business cases and can sign-off referrals of final business cases to Cabinet for elected member feedback. The following flow chart explains the stages of approval. The Council's delegation documents (Scheme of Administration and Scheme of Delegation can be viewed here (<https://north-ayrshire.cmis.uk.com/north-ayrshire/CommitteesMeetings/GovernanceDocuments.aspx>) for oversight of existing corporate governance arrangements.

Figure 8 outlines the stages towards approval of business cases. This is applicable directly to all business cases produced to draw-down funding under the Ayrshire Growth Deal. However, there will be instances where project development will take place for non-Growth Deal projects, but which still fall under the remit of Growth and Investment. In those instances, business cases will be expected to follow the same approval route, however, Growth Deal specific elements will not be required (e.g. PMO/Govt/Regional Partnership engagement). Where an external project partner is involved, a project plan should display how approval processes will consider governance and approval requirements of any external partner.

Figure 4 Business Case Approval Process



Project Management

For each project within the programme of activity comprising core investment programmes, a detailed project plan will be developed, to ensure a project-management approach to the programme. The project plans for each project will be considered and monitored by the Project Boards, which will report into Programme Boards. Project Boards should meet monthly, except where there is agreement of the Board and Programme Board that a lesser frequency is appropriate at any given stage in project development.

Notwithstanding, each project plan will be developed to measure progress against expectations and will contain the following components: -

- Project Definition
- Project Development Methodology (including options)
- Delivery of Outcomes
- Development & Implementation Timeline; including gateway reviews
- Financial Profile
- Consultation and Stakeholders
- Risks & Mitigation

Project development will reflect gateway approval stages ensuring the project proceeds from concept to detailed design to implementation stages. Programme and Project Board approval will relate to those stages.

G&I Governance Framework	AGD Green Book Stages	Design & Project Management (RIBA Stages)
Gateway 0 Establishment of project governance	Strategic Business Case	RIBA Stage 0 Strategic project definition
Gateway 1 Sign-off concept delivery/ objectives (Approvals: ELT/Programme & Project Boards)	Outline Business Case (Approvals: REP/Govt)	RIBA Stage 1-2 Preparation & Briefing Stage 2 = Concept Design
Gateway 2 Sign-off scheme/ objectives (Approvals: ELT/Programme & Project Boards)		RIBA Stage 3-4 Spatial coordination/scheme design Stage 4 = Technical Design
Gateway 3 Sign-off capital spend/ contract appt (Approvals: ELT/Programme & Project Boards)	Final Business Case (Approvals: REP/Govt)	RIBA Stage 4a Tender Action & Reporting
Gateway 4 Sign-off constructed scheme (Approvals: ELT/Programme & Project Boards)	Post FBC Construction Update	RIBA Stage 5& 6 Construction & Handover
Gateway 5 Reporting outputs/outcomes/CWB (Approvals: ELT/Programme & Project Boards)	Post FBC Programme & Project Evaluation and Monitoring	RIBA Stage 7 Operational Project

A number of the strategic investment programmes, i3, Ardrossan, Hunterston and Great Harbour are major programme activities and will attract public and private sector investment beyond the AGD. Governance arrangements will reflect the multi partnership and status of each programme; and will on a regular basis, consider whether governance requires to be reviewed to reflect significant events in the development of the programmes.

Further details of the project management framework, reporting into the Growth & Investment Board are shown in section entitled 'Project Management'.

Project Documentation

This comprises of a hierarchy of project management documents: -

ELT /Programme/ Project Dashboard: The Dashboard is intended to provide key updates to key audiences to be able to manage by exception and in line with the terms of this framework. The ELT format should be a headline format to identify: -

- Key updates that are essential for the audience to know
- Finance overview of a programme
- Risk reporting (including high impact risks, risk trending information and mitigation measures)
- Critical path analysis (particularly recording approvals)
- Performance indicators – as against defined KPIs.

. The core purpose of the dashboards is to allow provide strategic oversight of full programmes/projects in a single sheet, which provides visibility for strategic leadership to allow boards and governance structures to manage by exception.

Information within the dashboards relating to actions, risks and finance should not be new information generated for the dashboards; any relevant information should be generated in the project management documents (e.g. finance, risk and action documents) and be reported in the dashboards, if the issue merits being raised at a programme/project level. It is not intended that routine project management issues should feature in dashboards where there is no finance, risk or approval issues requiring that activity to be reported.

Risk reporting in the dashboard should be based on RAG traffic light system with a barometer to both show severity and risk trending (i.e. whether risks are escalating or subsiding). This should be generated in a detailed risk log. The related commentary should then be able to focus succinctly on options to manage risks elevated to programme level reporting. Risk treatment should be by exception.

The template for the programme overview summary sheet shown in Table 4 (it should be noted that the dashboard format will be revised as needed to suit the programme and project and refinements as required through the implementation process):

Table 4 Programme Overview Key Issues Template

The dashboard is intended to be for the purpose of high-level programme review, rather than detailed project management summary documents.

Risk Log: each project and programme will be underpinned by a comprehensive risk log which will address the matters identified in table 5. Further details on the approach to management of risk within the Growth & Investment portfolio are set out in the Risk Management section of this document.

Table 5 Risk Log Content

Unique ID	This may be simply a title, but Growth & Investment project/programmes are likely to require an appropriate alphanumeric code to reflect the large number of risks that are likely to exist for larger and complex projects.
Risk (description)	Presented in a structured format: Condition – 'There is a risk that' Cause – 'Caused by' Consequence – 'Resulting in'

Likelihood (probability)	What is the likelihood of the risk occurring? It would be helpful to record the justification behind this analysis.
Impact	What will the impact be if the risk occurs? It would be helpful to record the justification behind this analysis.
Score	Likelihood and probably should be multiplied to indicate overall risk score. This should relate to the RAG status of the project.
RAG status	Red, Amber, Green (RAG) status, based on the product of the probability and impact – this is explained further in the section on quantitative risk analysis
Timescale	What is the 'risk window' when this risk may occur and when do you start to lose options as to how you respond?
Cost	What will the risk cost if it does occur? NB. You can't assess this unless you know what your response action will be.
Owner	There should be a person nominated to 'own' the risk which means monitoring the situation and ensuring that necessary management actions are carried out. In a project situation this should be somebody within the project team and in all cases, it should be somebody who will be impacted by the risk and who has a vested interest in addressing it. The project lead is likely to be the most appropriate owner.
Risk management approach/ Mitigating actions	What are the agreed response actions? These may be broken into: preventative actions to mitigate the risk and the response action if the risk occurs. This is sometimes known as an 'impact plan'
Residual risk	This is the expected level of risk once all the mitigating actions are complete.
Early warning signs	What 'trigger' might alert you to the fact that the risk is about to occur?
Risk Trend	Monthly reporting should indicate any significant increase in risk likelihood or significance – or failure for risk profile to decrease, to allow Growth & Investment Board and Executive Leadership Team to be sighted on risk profile and oversee required interventions.

The Council's approved format for risk log templates for capital projects reporting into the Capital Planning and Assets Group is <http://naconnects.north-ayrshire.gov.uk/documents/insurance-risk-management/cpag-project-risk-register.xls>

The format of the risk log is shown in Table 6: -

1. Service	6. Risk ID Number	7. Details of Event Identified	8. Impact of Risk Event to the project	9. Likelihood Score of Risk Occurring	10. Impact Score of Risk	11. Probability Score	12. Control Strategy	13. Risk Owner	14. Status	15. Resolve Date
XX	1	XX	XX	1	5	5	Project Board and Project implementation team now established		Open	

Table 6 Risk Log Template for Projects

There is a requirement to maintain operational risk logs for both projects and programmes. They are envisaged as provided different functions. A project risk log will manage issues relating to a project specifically. Programme risk logs will identify cross project issues and seek to apply appropriate mitigation – for example coordination of development activity over multiple projects to minimise constructions disruption or construction or procurement matters.

Finance Profile: For each programme of activity, all related budget lines, including capital and revenue expenditure and receipts (both committed, anticipated and unknown source) will be displayed on a single sheet breaking down project costs, in detail to provide complete financial oversight.

Comprehensive finance overview sheets will be prepared to match the programme overview sheets, to give full sight of all related finances for each of the programmes.

Action Tracker: an action tracker for each project is essential. This should relate to the dashboard format and track actions identified by Boards and record action taken and date. Actions not completed to expected timescales should be reported to future Board meetings via the dashboard.

Programme and Project Monitoring and Reporting

Programme and Project Monitoring and Reporting



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

The Ayrshire Economic Partnership Board meets quarterly to receive update on progress related to Ayrshire Growth Deal, and to resolve emerging issues. The Partnership Board updates on AGD projects is per the format shown in Table 7.

Table 7 Ayrshire Growth Deal Regional Reporting to Ayrshire Economic Partnership

Tourism Programme		KEY TASK UPDATES	NEXT MILESTONES
TOURISM	G	<ul style="list-style-type: none"> Overall Programme Updates 	
THE GREAT HARBOUR AT IRVINE HARBOURSIDE & ARDEER Project Lead: XX	G	<ul style="list-style-type: none"> Headline developments noted 	<ul style="list-style-type: none"> Target approvals/milestones
MARINE TOURISM Project Lead: XX	G	Headline developments noted	<ul style="list-style-type: none"> Target approvals/milestones

In addition, Growth & Investment will produce an annual update on programme activity to the Audit and Scrutiny Panel at financial year end, reporting on key progress throughout the past year.

The programme will also be subject to review by Internal Audit as part of the Council's agreed Internal Audit Plan.



Project Change Management Proposal Proforma

This proforma should be completed for any proposal to alter a project currently under development, and for which a strategic business case (or outline/full business case) has been approved to define the parameters of the project. The proforma should ultimately be approved by the project, but dependent on the scale of change proposed (see "Scale of Change" section), may require other approvals. Where other approvals are required before recommending a change request, this should be documented within the proforma.

Project Description		<i>Provide a description of the approved project</i>
Case for Change		<i>Provide a description of the circumstances that have led to the need for change being identified</i>
Proposed Change		<i>Describe the proposal for change</i>
Impact on the business case	Strategic Case	<i>How does the proposal impact on the strategic case for the project? Does it undermine or strengthen the need for project implementation?</i>
	Economic Case	<i>How does the proposed change arrangement impact on the economic impact of the proposal? Will there be a requirement to undertake further economic analysis? Are there wider socio-economic benefits to be gained or reduced as a result of the proposed change?</i>
	Commercial Case	<i>Outline the impact on operating model for the project resulting from the change request? Does this reduce or increase revenue and servicing costs? Does this impact on partner arrangements?</i>
	Finance Case	<i>Describe the impact on capital and revenue budgets. Outline how the proposal impacts on partnership arrangements, if appropriate.</i>
	Management Case	<i>Describe the impact on project management arrangements, partnership management arrangements and timescales.</i>
Scale of Change		<p><i>Provide a score rating: -</i></p> <p><i>1 – minor change proposed from initial project scope, purpose, outcomes, budget, timing and management arrangements</i></p> <p><i>2 – moderate change proposed from initial project scope, purpose, outcomes, budget, timing and management arrangements</i></p> <p><i>3 – fundamental change proposed from initial project scope, purpose, outcomes, budget, timing and management arrangements</i></p>
Risk Analysis		<p><i>What are the risks associated with the proposed change; what are the risks of not accepting the change request? This should be underpinned by analysis of risk through a recognised risk scoring methodology.</i></p> <p><i>Note – this is not for describing project risks unless they are affected by the proposed change.</i></p>
Options Analysis		<i>Provide an overview of the options analysis that has been undertaken to identify the proposed change as the preferred option</i>
Governance	ELT	<i>Indicate whether consultation/approval is required or not. Has any informal discussion taken place?</i>
	Partner(s)	<i>Are partners supportive of change? Has partner approval of change proposal been accepted?</i>
	Funder	<i>Are funders supportive of change? Has partner approval of change proposal been accepted?</i>

	PMO	<i>Indicate whether consultation/approval is required or not.</i>
	Cabinet	<i>Indicate whether consultation/approval is required or not.</i>
	REP	<i>Indicate whether consultation/approval is required or not.</i>
Recommendation		<i>Accept project change proposal and proceed/ Accept project change proposal and seek additional required approvals (e.g. formal approval of ELT/Partner Board/Govt/PMO/Cabinet/REP)</i>