

North Lanarkshire Council Report

Policy and Strategy Committee

approval noting

Ref RS/EK

Date 19/03/20

Strategic Capital Delivery Group Terms of Reference & Governance Framework

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Executive Summary

The purpose of this report is to present the updated Terms of Reference & Governance Framework for the Strategic Capital Delivery Group (SCDG) for approval.

Recommendations

It is recommended that Policy and Strategy Committee:

- 1) Approves the updated Terms of Reference & Governance Framework for the SCDG.

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning

1. Background

- 1.1 The SCDG is an officer working group convened of senior officers, including Executive Directors and Heads of Service, with responsibility for the development and delivery of the Council's long-term capital programme.
 - 1.2 The current Terms of Reference & Governance Framework was approved by the Policy and Resources Committee on 7 June 2018 which was developed to facilitate the effective management and delivery of the Council's 5 year Composite Capital Programme 2018/19 to 2022/23.
 - 1.3 The Terms of Reference & Governance Framework set out the role and objectives of the Group, along with details of membership, attendance and procedures for meetings.
 - 1.4 The Terms of Reference & Governance Framework allow the SCDG to make amendments to the approved capital programme subject to limits, adjustments to the programme to reflect future capital grant allocations, the approval of virement of resources and additional projects plus the process for reporting decisions and recommendations to Committee.
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2. Report

- 2.1 The Terms of Reference & Governance Framework for the SCDG have been recently updated, see Appendix 1 to this report.
 - 2.2 The main changes to note are:
 - Group member roles and job titles have been updated to reflect the NLC Service restructuring approved by the Policy and Resources Committee in September 2018 with Council strategy references also aligned to *The Plan for North Lanarkshire*. (Sections 1,2 and 4)
 - the widening of the remit of the SCDG to incorporate all Council Capital Programmes (Section 1)
 - the deadline for the receipt of submissions and progress reports changed from 3 to 5 working days to allow Group members additional time to scrutinise papers in advance of meetings. (Section 3.3)
 - a new section on the delegation of authority to facilitate and improve the SCDG decision-making process for new capital projects. (Section 4.7)
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3. Equality and Diversity

- 3.1 **Fairer Scotland Duty**
There are no specific Fairer Scotland impacts arising from this report.
 - 3.2 **Equality Impact Assessment**
There are no specific equality impacts.
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4. Implications

4.1 **Financial Impact**
None identified.

4.2 **HR/Policy/Legislative Impact**
None identified.

4.3 **Environmental Impact**
None identified.

4.4 **Risk Impact**
None identified.

5. Measures of success

5.1 Effective delivery of the Council's approved Capital Programmes.

6. Supporting documents

6.1 Appendix 1 SCDG Terms of Reference & Governance Framework



Robert Steenson
Executive Director (Enterprise & Communities)

STRATEGIC CAPITAL DELIVERY GROUP TERMS OF REFERENCE & GOVERNANCE FRAMEWORK

1. ROLE

The Strategic Capital Delivery Group (the Group) is a working group convened of senior officers. The Group advises elected members in terms of capital allocation and project approval and has responsibility for the day to day management of the capital programmes, including the realignment of resources to facilitate the effective delivery of the Council's Capital programmes, including;

- Composite Service Core Investments
- Hub Campuses
- Enterprise Projects
- Community Investment Fund
- Housing Capital Programmes

The Group makes recommendations on and amendments to the approved capital programmes, as required, with any amendments reported to Committees in line with the financial regulations and the agreed limits, as outlined in the Terms of Reference & Strategic Framework Section 4 – Authority.

1.1 Chair

The Executive Director (Enterprise & Communities) will act as Chair of the Group, appointing an alternative when necessary.

1.2 Group objectives

- Monitor delivery of the capital programmes in line with the Council's Project Management guidelines, conducting post implementation reviews of completed projects where appropriate;
- Advise elected members on capital allocations and project approval, making recommendations on and amendments to the approved capital programme;
- Ensure the proper alignment of resources to allow for effective delivery of the programmes;
- Monitor expenditure projections against budgets and available resources, revising these where necessary, subject to the limits set out in Section 4 – Authority;
- Ensure robust governance arrangements around the delivery, monitoring and reporting of capital programmes;
- Consider the quarterly capital monitoring report to Policy & Strategy to ensure appropriate actions are agreed for review by elected members;

- Arrange and undertake training/awareness sessions as required to reinforce skills/knowledge across the Council in respect of capital monitoring and capital financing;
- Ensure all decisions made by the Group are Intra Vires and in line with The Plan for North Lanarkshire.

2. MEMBERSHIP

2.1 Membership

Membership to Include:

Executive Director, Enterprise & Communities
 Executive Director, Education & Families
 Chief Accountable Officer, Health & Social Care
 Head of Environmental Assets
 Head of Asset & Procurement Solutions
 Head of Planning & Regeneration
 Head of Housing Property & Projects
 Head of Communities
 Head of Business Solutions
 Head of Financial Solutions
 Head of Legal and Democratic Solutions
 Business Finance Manager (Strategy)

Membership of the Group reflects the composition of the capital programmes and ensures the fair representation of Council services responsible for investment in all Council assets including those managed by Council Arm's Length Organisations.

The Group must make decisions on a corporate basis, in line with The Plan for North Lanarkshire, Strategic Development Plan, Financial Regulations and other relevant plans and policies.

In the event that the Council structure changes the membership will be aligned to the new structure, unless membership is formally changed by the Policy and Strategy Committee.

2.2 Attendance

Where group members are unable to attend meetings, nominated deputies should attend. Group membership should be representative of the Council services, with members acting in an independent manner.

Quorum is achieved with 70% attendance (including substitutes). Where an Executive Director is unable to attend, at least one Head of Service from the relevant resource area should be in attendance. In the event that a meeting is not quorate, the Group is required to reconvene.

Officers and external parties may be invited to attend meetings of the Group to provide information/ support and to answer questions in respect of the Council's capital programmes.

3. PROCEDURES

3.1 Meeting Frequency

The Group will meet, as a minimum, quarterly, prior to each cycle of Policy and Strategy Committee.

3.2 Administration

Administrative support will be arranged by the Chair to coordinate and distribute agendas, minutes and meeting papers. Records of all minutes, decisions and actions will be maintained.

3.3 Submissions and Reports

Group members may make submissions to the Group. Submissions and progress reports should reach the nominated administrative support no later than five working days before each meeting.

Urgent matters may be submitted later than this deadline, but only with the approval of the Chair.

3.4 Agendas and Papers

Agendas will be prepared and distributed to Group members with supporting papers at least three working days before each meeting.

3.5 Minutes

Minutes will be taken of meetings and will be distributed in draft via email within five working days of the Group meeting. Minutes will be approved by the Group at the following meeting.

3.6 Responsibility for Actions and Communication

Group members shall ensure that any decisions relevant to their Service are actioned by relevant officers. Responsibility for actions within minutes will be recorded in an updated work plan as per the outcome of the meeting.

Executive Directors shall refer Group decisions to individual Service Committees for approval or noting, in accordance with agreed limits outlined in Section 4 – Approvals below, and will advise the Group of outcomes and decisions made by Committee.

The Chair will refer Group minutes to Core Corporate Management Team.

3.7 Special Meetings

Special meetings of the Group may be called at the discretion of the Chair. As far as possible, normal procedures will be followed.

4. AUTHORITY

4.1 Resources

The Capital Programmes are based on estimates of future investment targets funded by a combination of Scottish Government Grants, capital receipts, CFCR and prudential borrowing. When confirmation of investment targets are reviewed or amendments to resources are known, the Group will give consideration to adjusting the Programme accordingly. Use of any additional resources should be considered alongside the level of over-programming allowance. Recommendations for a revised programme, based on the actual level of resources will subsequently be referred to Policy and Strategy Committee for approval annually.

4.2 Virement & Re-profiling

4.2.1 General Fund Capital Programme

Within Thematic Categories

The Group has the authority to redirect resources within the following Thematic Categories across Services. These virements should be reported to individual Service Committees:

- Unavoidable Commitments;
- Key Ambition;
- Statutory Obligations;
- Building Asset Expenditure; and
- Environmental Asset Expenditure.

The Group has the authority to agree virements up to £1,000,000 within Thematic Categories. Virements in excess of £100,000 will be reported to the Finance and Resources Committee for noting.

Virements in excess of £1,000,000 should be approved by Finance & Resources Committee.

Across Thematic Categories

In the event the Group agrees a virement between Thematic Categories, this will be up to a maximum of £100,000. Virements above this value require the approval of the Individual Service Committee (if they remain within Service-headings), or the Finance and Resources Committee if the virement is across Services.

Re-profiling of Capital Allocations

The Group has authority to re-profile capital allocations within Thematic Categories up to a maximum of £4,000,000 from future years of the Programme to ensure effective delivery over the 5 year timeframe, provided this can be managed within the overall annual budgeted resources. This will be reported to appropriate Service Committees, and Finance and Resources Committee for noting.

4.2.2 Housing Capital Programmes

The Group has the authority to redirect resources within and across the following Thematic Categories across Services. These virements should be reported to individual Service Committees:

- Estate Regeneration
- Energy Efficiency
- Major Repairs
- Home Safety and Security
- Tower Strategy
- Internal Upgrades
- Community Care
- Fees/Miscellaneous
- New Build
- Council Buy Back

The Group has the authority to agree virements up to £1,000,000, virements in excess of this amount will be reported to the Finance & Resources for noting. Virements above this value require the approval of the Service Committee.

Re-profiling of Capital Allocations

The Group has authority to re-profile capital allocations within Thematic Categories aligned to the revised investment requirements, from future years of the Programme, to ensure the effective delivery over the 5 year timeframe, provided this can be managed within the overall budgeted resources. This will be reported to appropriate Service Committee.

4.3 Over - programming Allowance

The Group is required to review and monitor the over-programming allowance within programmes to ensure levels of funding remain sufficient to meet programme commitments.

4.4 Additional Project Approval

Approval must be sought from the Head of Financial Solutions and Policy & Strategy Committee for new projects/ additional investment which cannot be contained within the currently approved Council Programmes.

Emergency works out with the approved Programme should be referred to the Chair who will consult with the Head of Financial Solutions in seeking approval to proceed from the Council Leader.

4.5 Monitoring

4.5.1 All Capital Programmes

Individual Service Committee reports will provide monitoring information showing the appropriate level of detail, predominately in line with the project groupings as laid out within the Composite 5 Year Capital Programme 2018/19 to 2022/23 or alternatively in accordance with the appropriate project groupings within the housing capital programme.

Reporting to the Group should be at individual project/category level to ensure the plan of work can be monitored and provide full transparency with regard to decision-making. Individual services require to monitor the capital programme on a project/category basis, with the information provided to Financial Solutions staff each period, and to the Group on a quarterly basis.

Whilst individual budget holders have responsibility for reporting variances and ensuring compliance with Financial Regulations and Contract Standing Orders, overall responsibility for financial management lies with the Head of Financial Solutions. Therefore, Financial Solutions staff must be provided with information for individual projects to allow for effective financial monitoring.

4.6 Asset and Procurement Solutions – General Fund Capital Programme

Responsibility for delivery of cross-cutting Thematic Categories (e.g. the Council's Condition Surveys programme) will be reported at Communities & Housing Committee where responsibility for delivery of the programme lies with Asset and Procurement Solutions.

Asset and Procurement Solutions will allocate works in respect of the cross-cutting themes using specific information obtained from diagnostic tools such, as condition surveys.

4.7 Sub Groups

The Group may establish and delegate authority to sub-groups of the Group, as considered necessary. The sub-groups will have Terms of Reference & Governance Framework established which shall include the requirement to report back to the Group.

5. POST PROJECT REVIEWS

The Group has oversight of the performance of the Council's Capital Programmes and will carry out post implementation reviews, in line with the Council's Project Management guidelines.

6. RISK MANAGEMENT

All risks relating to the Programme and to individual projects will be managed in line with the Council's Risk Management Strategy and in accordance with Project Management guidelines.