

Finance and Resources Committee

10.00am, Thursday 27 August 2015

Governance of Major Projects: progress report

Item number	7.14
Report number	
Executive/routine	
Wards	All

Executive summary

The former Policy and Strategy Committee on 7 August 2012 agreed the role and remit of the Corporate Programme Office, (“CPO”), which was to include the supervision of major projects, namely those with a value of over £5million or which are particularly sensitive to the Council's reputation. This report contains an update of the major projects portfolio and the forthcoming assurance review schedule.

Links

Coalition pledges	P03, P20, P23, P27, P28, P36, P41, P44, P47, P49, P51, P53
Council outcomes	C01, C02, CO25, CO26
Single Outcome Agreement	All

Governance of Major Projects: progress report

Recommendations

- 1.1. It is recommended that Finance and Resources Committee note:
 - 1.1.1 the current synopsis of the dashboard reports for the major projects portfolio set out in appendix 1; and
 - 1.1.2 the current assurance review schedule for the last two quarters of 2015/16 as set out in appendix 2.

Background

- 2.1 The former Policy and Strategy Committee agreed the role and remit of the Corporate Programmes Office (“CPO”), which was to include oversight of major projects, namely those with a value of over £5million or which are particularly sensitive to the Council’s reputation.
- 2.2 This report forms the scheduled quarterly status update to the Finance and Resources Committee.

Main report

CPO Reporting Arrangements

- 3.1. Project Managers of each of the major projects are required to complete dashboard reports for each project. These returns seek to establish how key dimensions of the project are progressing and aim to ensure there is clear visibility of the status of each major project within the Council.
- 3.2. It should be noted that the content and sign off of each dashboard report remains the responsibility of the SRO/Sponsor.
- 3.3. A synopsis of the latest set of dashboard summaries is contained in appendix 1. Full dashboard reports are shared in the [major projects folder](#).

Assurance Reviews

- 3.4. The status of Major Project Assurance Reviews, undertaken since the previous Major Projects progress report, is shown below:

Project/Programme	RAG status	Status
H&SC Integration	Amber-Green	Complete
ICT re-Procurement	Amber-Green	Complete
Programme Momentum		Underway

- 3.5. Key recommendations from health checks and assurance reviews completed during this reporting period are detailed below.
- 3.6. The health check of Health & Social Care Integration has been completed with an overall assessment of Amber-Green. The Programme is employing good programme management practice and there is strong strategic alignment and stakeholder engagement. Since the previous Assurance Review a Strategic Business Case has been agreed. However whilst the programme is ready to move to next phase, significant challenges lie ahead once the Integrated Joint Board (IJB) is formed and the new organisation begins to implement its strategic plan. The importance of maintaining tight control of a programme of this scale cannot be over-estimated and the challenges in the next phase mean that the programme could very quickly slip towards a red status. The Council and NHS Lothian need to be assured of the IJB's capacity to undertake the delegation of functions, to manage within its financial limits and to deliver the change programme. In relation to these matters, a separate financial assurance audit has been undertaken by the Council's Internal Audit team with KPMG. The report is currently being finalised and will report to Governance, Risk and Best Value Committee in September but it has raised critical concerns in relation to governance and finance in the next phase.
- 3.7. The CPO Assurance Review makes the following recommendations:
- Governance – the review team recommended that the remit is agreed for the Stakeholder Group prior to the delegation of functions to the IJB.
 - Business Case - should be updated at all key stages of the Programme and ideally in conjunction with NHS Lothian. The review team suggest that as a minimum the Business Case should be updated prior to Implementation of the new Governance model, i.e. formation of the IJB, at revision of the Strategic Plan and then again just prior to the delegation of functions.
 - Business Case – that the programme plan is regularly reviewed to ensure any slippage outwith programme tolerances can be identified as early as possible and addressed by the appropriate governance body.
 - Resources - the programme should consider provision of additional resource to manage 'touch points' with other key projects and programmes where dependencies have been identified to ensure there is understanding, clarity and input when decisions are made that will impact on the H&SC Integration deliverables.

- Resources - the IJB, once formed, should review the activities required through to the 1st April 2016 and put processes in place to ensure the right mix of skills and number of resources are in place particularly in relation to change where there will be a significant requirement to ensure there is a smooth transition to commence work required to deliver integrated services.
 - Engagement - The following documentation should be reviewed and if required updated for IJB approval, (i) Stakeholder maps and engagement plans, (ii) Communication plan, (iii) Involvement campaigns, (iv) Training and coaching plans.
 - Readiness for next phase – the review team recommended that a workshop is undertaken with key stakeholders within NHS Lothian and the Council to ensure there is a common understanding of activities, timelines, roles and accountabilities to ensure all activities for the Implementation of the Strategic Plan and service re-design are delivered by 1 April 2016.
- 3.8. The ICT & Transformation Procurement Assurance Review covers the project to the point of contract award which is on schedule to be completed by August 2015. The Review Team found that the overall project status is Amber-Green. The project has progressed significantly since the previous review with many of the risks and issues having been addressed. The procurement project has followed a rigorous competitive dialogue process and, at the time of the review, evaluation of final bids was about to commence. The review team were satisfied that the project had processes in place to undertake a thorough and fair evaluation of bids and had a sound understanding of the risks associated with contract award and how these would be managed. Since the completion of the Assurance Review, the Finance & Resources Committee has received a full report on the evaluation with a recommendation on the Preferred Bidder.
- 3.9. It should be noted that at contract award, the procurement project will be closed and another project will take forward the transition and transformation activities. No assessment has therefore been made with respect to these latter activities but the new project will be complex and carry significant risk for the Council. It will therefore come under the major projects remit and be subject to oversight and assurance by the Corporate Programmes Office.
- 3.10. A full report was presented to Finance and Resources Committee on 3 August which recommended Committee grant authorisation for the Deputy Chief Executive to sign the contract following the standstill period.
- 3.11. Assurance review recommendations are presented below:
- Governance - Further consultation should be completed to understand and agree the broader approach to benefits management during the transition and transformation phases.

- Business Case - The project should agree whether the business case needs to be presented as an addendum to the main report that will be presented to F&R Committee on the 3rd August.
- Risk - The project team formally identifies the risks and mitigation required in the event of the results of the evaluation being “close” and the additional measure to secure and verify the result.
- Risk - The project risk register does identify the risk of challenge to the procurement process. The risk/mitigation measures should be fully articulated and managed.
- Engagement - In preparation for Committee in August, the SRO should satisfy the Project Board that elected members have received any necessary briefings and the information, documentation and detail required for Committee to make a decision on the appointment of preferred bidder has been agreed.
- Readiness for next phase - the review team understand that the project team have a plan to engage with political and management stakeholders in the run-up to the appointment of preferred bidder on 3 August 2015. This plan should be updated to include (i) how the evaluation and moderation process fits in to the overall plan, (ii) what tasks need to be completed in July leading up to Finance and Resources Committee on 3 August, (iii) identify what additional tasks may need to be undertaken if the outcome of the evaluation is “close”, and (iv) what tasks need to be completed between “approval” on 3 August and contract signature on 24th August, including possible “clarification” tasks.

Current highlights in the major projects portfolio

- 3.12. No new projects or programmes have been added to the Major Projects portfolio since the previous report to Committee.

Edinburgh St James

- 3.13. On 1 July 2015 several of the reserved matters relating to the Outline Planning Consent were approved by Development Management Committee. The details of the proposed hotel are scheduled to be considered by Committee on 12 August 2015.

ICT & Transformation Procurement

- 3.14. The ICT & Transformation Procurement project will be closed on award of contract to the preferred bidder to deliver ICT services to the Council. A new transition and transformation project will be created and will continue to report in to the major projects portfolio from August 2015.
- 3.15. The transition and transformation project will manage the migration from the Council's existing ICT provider to the new one through to July 2016. In addition

there are a number of transformation activities that need to be delivered as part of this project such as the replacement of the current Oracle Financial system.

Early Years Projects

- 3.16. All three projects remain on programme to complete in August. The project at Fox Covert Primary School will deliver a new detached 70/70 nursery building and play space. In order to satisfy planning requirements a new 3G pitch will also be delivered with the expected timescale being summer 2016. The existing nursery building at Duddingston Primary School is being replaced with a new larger 60/60 detached nursery building and associated play space. A new detached 40/40 nursery building is being delivered at Wardie Primary School.
- 3.17. Final contract sums have been agreed for all projects. Although market costs to deliver some work packages had increased, these have been accommodated by utilising project contingency allowances.

Leith Programme

- 3.18. The Leith Programme arose from a decision by the Transport, Infrastructure and Environment Committee on 29 November 2011 to undertake £3.2million worth of remediation and reinstatement works on Leith Walk and Constitution Street, funded from the Capital Roads Maintenance Programme. On 31 July 2012, the Finance and Resources Committee approved additional funding of £2.3million, using headroom investment from within the Tram budget, to extend the scope of these works. In September 2013 the Scottish Government gave a commitment to provide up to £3.6m of funding towards project costs, via Sustrans Scotland, bringing the total funding available to the project up to £9.1 million.
- 3.19. Updates on progress have been provided to the Transport and Environment and Finance and Resources Committees via a number of reports made at appropriate stages of the project. On 19 March 2013, the Transport and Environment Committee delegated authority to make decisions on design matters to a project Oversight Group, consisting of the Convener and Vice Convener of Transport and Environment and local ward members. A Project Board is also in place and this meets and reviews formal project status reports every two months.
- 3.20. The project is being progressed in a series of phases, to minimise disruption to road users and the local community, and construction of each phase is delivered via a stand-alone contract, which is awarded shortly before the works for that phase are due to commence. Committee approval is sought prior to the award of each contract, where this is required by Contract Standing Orders.
- 3.21. Phases 1 to 3 of the project have been successfully delivered, covering the whole of Constitution Street and the section of Leith Walk to the north of Pilrig Street. This includes major upgrades to the junctions at Bernard Street/Baltic Street and the Foot of the Walk to simplify their layout and significantly improve facilities for pedestrians. The work undertaken includes widened and decluttered footways, additional/improved pedestrian crossings, improved cycle

lanes and cycle parking facilities, new street trees in Constitution Street and major public realm improvements at the Foot of the Walk, outside the Newkirkgate shopping centre. It is intended to introduce new street greenery in the northern section of Leith Walk in autumn 2015.

- 3.22. A concept design for Phase 4, which covers the area from Pilrig Street to McDonald Road including both junctions, has been developed and the statutory processes necessary to introduce the new road layout are about to commence. Construction is currently expected to commence in spring 2016, subject to satisfactory completion of these statutory processes. It is expected that the delivery of the remainder of the Leith Programme would be carried out in two further phases, covering the areas from McDonald Road to Elm Row (Phase 5) and from Elm Row to Picardy Place, including replacing the roundabout at London Road with a new junction (Phase 6). Development of a concept design for Phase 5 is currently underway.
- 3.23. The original project timeline had to be revised, due to the requirement to hold a mandatory Public Hearing in September 2014 to consider certain objections that arose from the statutory processes for the section of Leith Walk to the north of Pilrig Street (Phase 2). There is a risk that further mandatory Hearings might also be required for future phases. The timeline for Phase 4 onwards also had to be revised to allow the original concept designs for these sections to be reviewed to take account of the interface between the Leith Programme, the proposed construction of a new transport interchange at Picardy Place as part of the Edinburgh St James development and a possible future tram extension on Leith Walk.
- 3.24. All phases completed to date have been delivered within budgetary expectations. However the formal funding agreement, entered into with Sustrans Scotland in March 2014 for the Scottish Government funding award, contains conditions relating to the timing of this funding which are affected by the subsequent revisions to the project timeline described above. Discussions are currently underway with Transport Scotland and Sustrans Scotland about altering these conditions to accommodate the revised project timescales. Contingency plans also being prepared for various possible scenarios involving a partial loss of this external funding.

Additional Consultancy Support

- 3.25. The CPO also provides consultancy and project development support as required. Terms of reference for the work including scope, timescales and any charges are agreed with sponsors in advance.
- 3.26. The CPO is providing project and consultancy support in the following areas:
- development and management of the Transformation programme;
 - resource to deliver the Connected Capital programme;

- project management support for the establishment of a new Enforcement Service and, legacy closure aspects of Programme Momentum (previously Property Conservation / Shared Repairs);
- specific resource to Organisational Development, Commercial Excellence programmes and Business Intelligence;
- support for the ICT Procurement project including the competitive dialogue process and bidder evaluation; and
- Programme Management support to Edinburgh St James.

3.23 The staffing compliment in the CPO has reduced significantly in recent months which means it is difficult to provide direct support to new projects although advice and guidance is readily available. It is anticipated that once the new arrangements for Business Support are in place this will improve capacity for project support and assurance.

Measures of success

4.1 A successful project delivers its output(s) on time, on or under budget and to quality standards agreed with its stakeholders. The new reporting arrangements introduced by the CPO seek to ensure transparent and consistent reporting across all major projects by analysing key milestones, benefits, financials, risk and governance processes.

Financial impact

5.1 There are no financial implications directly arising from this report. The financial impacts of major projects will also be reported through the revenue and capital monitoring process.

Risk, policy, compliance and governance impact

6.1 The process of reporting and senior management oversight of risk within the project portfolio serves to strengthen the control environment and where appropriate prompt mitigating action.

Equalities impact

7.1 Equalities impact assessments are carried out within individual major projects and addressed in separate reports to Council or committee. In addition CPO has launched an engagement programme, and established a Programme, Project and Change Management Community within the Council to promote best

practice.

Sustainability impact

- 8.1 Each project within the major projects portfolio is responsible for undertaking its own sustainability impact assessment.

Consultation and engagement

- 9.1 Consultation and engagement is carried out within individual projects and is addressed in separate reports to Council or committee.

Background reading / external references

[Governance of Major Projects](#) – Finance and Resource Committee, 15 January 2015

[Governance of Major Projects](#) – Governance, Risk and Best Value Committee, 21 May 2015

Alastair D Maclean

Chief Operating Officer

Deputy Chief Executive

Scott Robertson, Senior Project Manager

E-mail: scott.a.robertson@edinburgh.gov.uk | Tel: 0131 469 6141

Links

Coalition pledges

P03 - Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate investment in the fabric of all schools

P20 - Work with the Scottish Government to deliver a larger return of business rate receipts as part of the Business Rates Incentivisation Scheme (BRIS)

P23 - Identify unused Council premises to offer on short low-cost lets to small businesses, community groups and other interested parties

P27 - Seek to work in full partnership with Council staff and their representatives

P28 - Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city

P36 - Develop improved partnership working across the Capital and with the voluntary sector to build on the "Total Craigroyston" model

P41 - Take firm action to resolve issues surrounding the Council's

property services

P44 - Prioritise keeping our streets clean and attractive

P47 - Set up a city-wide Transport Forum of experts and citizens to consider our modern transport needs

P49 - Continue to increase recycling levels across the city and reducing the proportion of waste going to landfill

P51 - Investigate the possible introduction of low emission zones

P53 - Encourage the development of Community Energy Co-operatives

Council outcomes

C01 - Our children have the best start in life, are able to make and sustain relationships and are ready to succeed.

C02 - Our children and young people are successful learners, confident individuals and responsible citizens making a positive contribution to their communities.

CO25 – The Council has efficient and effective services that deliver on its objectives.

CO26 – The Council engages with its stakeholders and works in partnership to improve services and deliver on agreed objectives

Single Outcome Agreement

All

Appendices

Appendix 1 - Overview of CPO major projects portfolio – October 2014

Appendix 2 - Assurance review schedule Q3/4 2014/15

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP2	Connected Capital	<p>BDUK funding has been allocated to a number of projects within this programme including;</p> <ul style="list-style-type: none"> - Voucher scheme – to assist with broadband connectivity charges for SMEs. Uptake of vouchers by SMEs has been lower than forecast but the scheme was widened to incorporate 50 cities accessing a challenge fund of £40 million. It has been agreed that the Council will administer the extension of the voucher scheme on behalf of the Lothians, Fife, Scottish Borders, Glasgow, Stirling, Dundee, and Inverness through to 31 March 2016. - Public Building WiFi – delivery of free WiFi access to approx 45 sites. All work within the control of CEC has been completed. BT Openreach remain to complete their piece of the work. All Non Council Buildings (25) are now live. 18 Council Buildings are now fully live with another 4 expected to go live imminently. We have approximate go live dates with BT Open Reach for a further 11 buildings. - Wireless Concession – Contract discussions with the preferred bidder are now progressing towards finalisation. In the meantime significant progress is being made with finalising the network plan, determining works required to make 	<p>Overall Programme delivery deadline of March 2015 has now been revised. Some flexibility has been agreed with BDUK that will allow funding availability for wireless concession to be available up to September 2015.</p> <p>There is a dependency on BT Openreach to deliver components of the Public Buildings WiFi and a risk that slippage may occur as a result.</p>	Spend within budget.	Assurance Review completed with focus being on the Wireless Concession project and found that good project management techniques had been employed in delivery of the project to date.	<p>Faster and better broadband connections to SMEs via a voucher scheme contributing towards costs of connection.</p> <p>Wireless coverage in some public places, public buildings and across the Lothian Bus and Edinburgh Trams fleet.</p>	<p>Risk: Amber</p> <p>BT Openreach delivering to the schedule agreed for Public Building WiFi, i.e. all sites 'live' by end June 2015.</p>

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>our lighting stock fit for purpose and meeting buildings owners to secure agreement to use their buildings. BDUK has agreed to extend the timescale for the enhanced concession budget (£250k)</p> <ul style="list-style-type: none"> - Transport WiFi – WiFi deployment across the Edinburgh Tram and Lothian Buses fleet was completed in Dec 2014. By the summer of 2015 the services will also benefit from delivery of a content management solution that will enhance the user experience further by providing infotainment channels to passengers using the on board WiFi. 					
MP8	James Gillespie's Campus	The teaching block is now complete and occupied by the school. All of the remaining old school buildings are now demolished and work has commenced to the construction of the Performance and Sports blocks.	Phase 1 (teaching block) and Secondary School decant complete. Phase 2 (performance and Sports blocks) completion scheduled for August 2016.	Principals meeting held with confirmation that the total value of Change Order Requests will be capped and that no claim for acceleration costs or similar will be submitted.	12 month defect period for the DB contract is now concluded. Positive feedback continues to be received from the public at a recent open day for the new teaching block.	Coalition Pledge P03 – Rebuild James Gillespie's High School while providing adequate investment in the fabric of all schools.	Risk : Green
MP10	National Housing Trust	NHT Phase 1 - 422 new affordable homes complete and tenanted – This project is now closed and housing management taking forward as 'business as usual'.	On time.	The City of Edinburgh Council on 12 Feb 2015 approved borrowing for phase 3	November 2014 Assurance Review completed with status of Green.	Provision of affordable housing.	Risk: Green

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>Phase 2: The Council has entered into contracts with FP Newhaven Two Ltd. Construction started in Nov 2014. 96 homes will be completed over 6 phases with completion scheduled for Dec 2016.</p> <p>Phase 3. The Council will now enter into a contract to establish four new limited liability partnerships with developers and Scottish Futures Trust to deliver up to 413 affordable homes. The first contract signing for 80 homes at Fruitmarket, Chesser is due to start on site in August 2015. FP Newhaven Two Contract Signing is scheduled for August 2015.</p>		of up to £54. 998m. Forecast to complete within budget.		Neighbourhood regeneration and creation of jobs and training opportunities.	
MP11	21st Century Homes	<p>Gracemount: development complete and all properties let.</p> <p>Greendykes C: development complete and all properties let. The project was a runner up at the Homes for Scotland awards in the Best Partnership in Affordable Housing Delivery category.</p> <p>West Pilton Crescent: development complete and all properties let.</p> <p>Pennywell: works started on phase 1 (108 Council and 85 Private homes) on 23 June 2014. Handover of the first Council homes anticipated by mid July 2015. Delivery progressing to schedule. The showhome is now open for Urban Union's home for sale. As</p>	Programme progress within target timescales.	Within budget		<p>Community Benefits including employment and training opportunities.</p> <p>Increasing affordable housing supply across the city.</p> <p>(iii) Providing support to the economy and construction industry.</p>	Risk: Green

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>at 17 June five owners have moved into homes for sale.</p> <p>North Sighthill: Design work instructed to enable an Approval of Matters specified by conditions (AMC) application to be submitted to planning in summer 2015. OJEU notice placed on 30 March 2015 and PQQs were invited and evaluated. Tenders will now be invited following F & R approval in May 2015.</p> <p>Leith Fort: Tenders approved at F & R in June and contract will be awarded following a standstill period. Site start anticipated to commence by late 2015.</p> <p>Small Sites Programme: 7 additional sites, tenure mix and energy strategy are to be reported to the Political Sounding Board in September and a delivery plan is being developed with the Council's procurement team.</p>					
MP12	New Boroughmuir High School	<p>A revised programme plan has been agreed due to the extensive existing concrete slabs encountered below ground level which delayed the piling foundation operations. The revised completion date is 23 September 2016 therefore the move to the new school will now take place during the October 2016 break. This change has been communicated by a newsletter to the school community.</p>	<p>As previously advised the contractor experienced significant slippage due to extensive existing concrete slabs encountered below ground level which have delayed the piling foundation operations. The implications of this</p>	<p>Within Budget. The sale of the existing school building has now been concluded securing first tranche of £5m has been approved as a contribution towards the</p>		<p>Aligns with Council Outcomes – C01, C02, and SO3.</p>	

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
			on the programme have been discussed in detail with the contractor and a revised programme has now been agreed which shows a revised construction completion date of 23 September 2016 which would then allow the new school to be opened following the October 2016 school holidays. This change has now been communicated by a newsletter to the school community.	construction of the new school facility. The contractor submitted a claim for an extension of time and costs however a settlement was negotiated at a figure which was considerably lower than that claimed. The impact on the project budget was further reduced by a saving which has arisen in a provisional sum within the contract held as a contingency for abnormal ground conditions, the majority of which has now been released.			
MP13	New Portobello High School	Balfour Beatty have continued with steady progress and they remain confident of completing the revised contract completion date. The structural steelwork is now virtually complete with only area 2b east end remaining. Internal fit out works have now commenced to areas 3.1 and 4	On target for completion in June 2016 with an opening date August 2016. However the project is working towards the possibility of a decant from the old school will be before the school holidays in		Currently the likely BREEAM score is above that required to secure Very Good under the 2011 Scheme. The BREEAM advisor (AECOM) and cost consultants (G&T) have been tasked with identifying and costing the items which, if it was possible	Aligns with Council Pledge P03, Council Outcome C01 and C02 and Single Outcome Agreement SO3	Risk: Green

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		Balfour Beatty continue to engage directly with local residents in respect of queries and day to day liaison. Their community liaison officer has produced a Community Engagement Plan which currently includes direct involvement in: the School's career fair; opportunities for work placements; youth involvement events; and volunteering opportunities.	summer 2016. This would allow existing pupils who would leave at the end of the 2015/16 school year an opportunity to experience the new school and would allow an early start to the project to deliver a new St John's RC Primary School.		to do so, would be required to make the achievement of Excellent possible in order that informed choices can be made		
MP29	Water of Leith, Flood Prevention Scheme Phase 2	<p>Tenders for the main works contract were issued on 20 Mar 2015 with bids to be returned on Jun 2015. Evaluation ongoing with Target date for award of the main works contract remains unchanged at Nov 2015.</p> <p>Work ongoing to identify key roles within the project including appointment of preferred bidder, Health and Safety and Project Management roles.</p>	Programme progress is within target timescales.	Council approved the funding at the end of September 2014 based on a reallocation of funding within the SfC Capital Investment Programme. Awaiting tender submission and the opening of the pricing element of bids.	<p>Assurance Reviews have been included in the programme plan at scheme definition (Sept 2014) and prior to award of contract (Nov 2015). Currently the project is assessed as being Amber-Green (delivery probable).</p> <p>Ongoing stakeholder engagement activities have raised no significant issues.</p>	<p>Protect 492 residential & commercial properties.</p> <p>Reduce dependency on temporary flood defences.</p> <p>Provide enhanced access to the riverside.</p> <p>Improve quality of life for residents affected by flooding.</p>	<p>Risk: Amber</p> <p>Key Project Roles to be filled.</p>

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP22	Zero Waste: Edinburgh and Midlothian	<p>The food waste transition project is making good progress and the supplier awarded the contract to build and operate the food waste treatment facility, Alaura Renewable Energy (ARE) remain on track for service commencement by 31 Dec 2015. Discussions are ongoing with the contractor with a view to the Partner Councils providing food waste for the commissioning period expected to commence Aug/Sept 2015.</p> <p>Provision of access road, bridge and utilities directly by the Councils remains within programme tolerances in spite of the Councils' contractors having been substantially delayed and having to undertake significant unforeseen additional works arising from Borders Railway construction issues. Recent contingency arrangements and re-scheduling of work particularly related to provision of the potable water supply have addressed all significant road and utility risks for now.</p> <p>FCC Medio Ambiente SA (FCC) were announced as the preferred bidder for the residual waste treatment contract in December 2014. The joint zero waste partners aim to sign the 25 year contract in 2015, with FCC operating on site by 2018.</p> <p>FCC has lodged a planning application with Midlothian Council (March 2015). The project</p>	<p>The food waste transition project remains confident that service commencement date of 31 Dec 2015 will be met and that the other dependencies, e.g. access road, utilities and bridge work remain within the programme tolerances.</p> <p>The residual waste project remains within target timescales.</p>	<p>Current forecast indicates project will come in or below budget. However the capital budget is seeing some pressures which will need to be managed as construction progresses.</p> <p>Finance and Resources Committee on 27 Nov 2014 were made aware that by entering into the residual waste treatment contract the Council will be liable for legacy payments of up to £10.3M under the existing landfill contract until 2020.</p> <p>The total net value of savings over the Treatment Contract term is estimated at £141.7m. Work is ongoing to mitigate</p>	<p>An assurance review undertaken in December 2014 assessed the programme as Amber- Green (delivery probable).</p>	<p>Dedicated food waste treatment facilities.</p> <p>Deliver a step change in diversion of waste from landfill.</p> <p>Affordable residual and food waste treatment contract.</p>	<p>Risk: Green Planning risks are of a low likelihood but carry very severe impacts should they materialise.</p> <p>Substantial mitigation strategies now agreed by the Project Board are in place.</p>

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		team understands that the planning application is not to be determined until August 2015. The final tender price is held until October 2015, but the project team is now reviewing the target date for financial close to take account of Judicial Review Risk.		the financial impact of this, with a number of options under consideration including transfer of third party waste and changes to disposal operations			
MP24	Leith Programme	<p>Phase 1 -3 Construction Work completed.</p> <p>Phase 4 (Leith Walk – Pilrig Street to McDonald Road). New “tram proofed” design, approved by the Tram Extension Business Case Board. Draft plans put on display on project webpage, public drop in information session held on 11 June and Stakeholder Group on 25 June. Design modified to reflect feedback arising from this process and approved by Oversight Group on 9 July. Statutory processes to commence shortly.</p> <p>Phase 5 (McDonald Road to Elm Row) Tram proofed design concept likely to also be applied to Phase 5. Design development underway.</p> <p>Phase 6 (Elm Row to Picardy Place) Review of design for London Road junction is ongoing to ensure tram proofed, while still meeting aspirations of the Leith Programme for significantly improved facilities for pedestrians and cyclists. Design development for remainder of area not yet underway.</p>	Delivery of Phase 4 is no longer possible within timescales originally communicated to stakeholders due to dependencies with other initiatives outwith the scope and control of the Leith Programme. Timescales and delivery methods for future phases will also be similarly affected.	Discussions underway with third party funding providers on possible scope to alter conditions of funding to accommodate revised timescales. Further information currently being prepared to assist with this process. Contingency plans also being prepared for various possible scenarios involving a partial loss of external funding.	Phase 4: Work on interface between Leith Programme and St James Quarter and a possible future tram extension on Leith Walk are ongoing including review of London Road junction design, timescale and funding considerations.	<p>Increase in cyclists using Leith Walk.</p> <p>Improved cycle pedestrian & businesses env.</p> <p>Increased levels of satisfaction within the local Community.</p> <p>Fewer claims/ complaints-trips & potholes.</p> <p>Uptake of local tables/chairs b’sness licenses</p> <p>Enforcement of parking/loading restrictions.</p>	<p>Risk: Red</p> <p>Due to possible unfunded component and slippage to plan outwith tolerances.</p>

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP25	Forth Replacement Crossing	<p>Services for Communities, as the directorate with responsibility for roads, structures and neighbourhood management, have been responsible for managing the Council's risk liabilities and commitments as set out in the Forth Crossing Act. Transport Scotland (TS) are the lead agency for the construction of the bridge and the Act sets out the process for the transfer of some enabling road and property assets to the Council as the local authority and Roads authority</p> <p>Construction of the U221 road is now complete. All side roads will be completed before the road comes under CEC management at which the 5 year defect liability period will commence.</p> <p>Realignment of the A904 has been delayed due to weather conditions but the road construction is now complete and open to traffic. Installation of new traffic signals for new roundabout commenced in May 2015 with anticipated completion date of 24th July. Soft landscaping will continue.</p> <p>B800 bridge construction works are programmed to be complete in late April 2015 allowing the temporary transfer of traffic to facilitate the construction of the realigned road whilst maintaining two way traffic. Utility diversions are now complete.</p>	As TS is the lead agency, CEC has no influence on delivery timescales. However the project continues to be on time and under budget with a forecasted completion of Autumn 2016.	As TS is the lead agency no budget information reported. Capital funding for CEC Project Manager to be secured. Circa £25K.	<p>Work in progress with Transport Scotland to define adoption extents, clarify handover, and quality assurance processes.</p> <p>Establishment of a Memorandum of Understanding underway with TS.</p>	Enhance transportation links locally and nationally.	Risk: Amber

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		Construction for widening of Society Road completed Dec 2013. Non destructive testing will continue over a 3 month period.					
MP28	H&SC Integration	<p>Following Scottish Government feedback on the Edinburgh Integration Scheme, some additions and changes were completed quickly to the Scheme to meet the deadline. The Edinburgh Integration Scheme has now been approved by the Cabinet Secretary, and the Order was laid before Parliament for 28 days. The parliamentary process has now concluded and the Integration Joint Board has been legally established with effect from 27 June 2015. The first meeting of the Edinburgh IJB will take place on 17 July 2015.</p> <p>The national timescale for full operation of all the integration of authorities and associated delegation remains unchanged at the 1st April 2016. This is the date that the Scottish Ministers intend to prescribe as the date by which all functions must be delegated to NHS Lothian and the Council. All the integration arrangements as set out in the Act, Orders and Regulations, must be in place and responsibility for the functions delegated.</p> <p>Work is progressing with delivering to this timescale and work on Strategic Commissioning underway.</p>	All integration authorities and associated delegation must be in place by 1 April 2016.	<p>In May 2014, the Scottish Government allocated £615,000 transition funding to the Edinburgh City Partnership. This funding was for 2014/15.</p> <p>Due diligence has commenced with Internal Audit involving Financial Assurance undertaken with CEC, NHS Lothian and the new Integrated Joint Board.</p>	<p>Health Check Amber Green, key findings are:</p> <p>Business Case should be updated at all key stages of the Programme and ideally in conjunction with NHS Lothian. The review team suggest that as a minimum the Business Case should be updated prior to Implementation of the new Governance model, i.e. formation of the IJB, at revision of the Strategic Plan and then again just prior to the delegation of functions.</p>	<p>High level benefits identified through options analysis work and business case.</p> <p>Detailed benefits to be developed in line with the statutory strategic plan, baseline performance framework, national outcomes and SQAs, and service workstreams on improving outcomes for people.</p>	<p>Risk: Amber</p> <p>Leave of Absence of joint Director and fragmented interim cover arrangements leave a risk of discontinuity of approach. Arrangements are being made between the Council and NHS Lothian for a temporary secondment to the Chief Finance Officer post in order to allow timely progression of key financial issues, pending confirmation</p>

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
							of Chief Officer appointment and operational arrangements
MP30	Recycling Service Project	<p>The new Recycling and Waste Collection Service is being rolled out to approximately 140,000 households between September 2014 and September 2015.</p> <p>The first three of five rollout phases are complete, i.e. 60K out of 140K households.</p> <p>Palm Recycling will manage the transition period (September 2014 – November 2015) from the existing to the new service. From 1st November 2015 the recycling collection service will be brought in house and Palm/ FMG staff will TUPE to City of Edinburgh Council.</p>	<p>Phase 1: September 2014: 20K households (COMPLETE)</p> <p>Phase 2: November 2014: 20K households (COMPLETE)</p> <p>Phase 3: March 2015: 20K households (COMPLETE)</p> <p>Phase 4: June 2015; 40K households. (UNDERWAY)</p> <p>Phase 5: September 2015: 40K households</p>	<p>Capital budget for bins and vehicles on track.</p> <p>Revenue Budget – finalisation of budget for 2015/16 now complete. For future financial clarity all costs are now posted to the Recycling Redesign cost centre</p>	<p>Metrics being collated to measure changes to recycling of waste with encouraging early indicators.</p>	<p>Initial data indicates recycling yields are 90% higher than when residents were using red and blue boxes.</p> <p>Landfill waste, early indications are that the landfill tonnages reducing by 30% since the start of the service.</p>	Risk: Low
MP31	Fleet Review	<p>The Programme focus is to define the fleet operating model for the future. This includes in-house and external provision in line with the Council Transformation Programme. In the interim, support for front line service delivery</p>	<p>Current project plan includes large number of concurrent procurements for different vehicle types – project team to be</p>	<p>Capital Budget on target. Revenue savings are £400k less than the £1.3m target and work is ongoing</p>	<p>Assurance review of the programme has been completed and rated the programme as amber overall.</p>	<p>Delivery of £1.3M benefits. likely to be £400k short due to late</p>	

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>is being progressed through provision of vehicles that meet service need. This is being done through improving vehicle specifications and requiring manufacturers to provide new vehicles with warranties that minimise future costs to services. This work will be supported by improved management information (through vehicle management software and telematics) to service areas to enable needs to be better identified and costs controlled.</p> <p>The project team has been working with Ernst & Young to align the Project with the Council Transformation Programme. Ernst & Young will be working with the service to determine all initiatives that have been carried out to date and quantify the savings that have been achieved.</p> <p>Recruitment process completed, however new post holder not yet in position.</p>	<p>resourced to support this level of activity.</p> <p>Once the scope is agreed a revised programme plan will be prepared.</p>	to mitigate this deficit.	The review team recommended that a Business Case for the programme is developed and agreed, and should include a clear definition of the programme scope, options, vision and benefits	<p>procurement of cars and vans. Work ongoing to mitigate the deficit.</p> <p>Reduction in number of vehicles and carbon footprint.</p> <p>Improved service delivery from more reliable fleet with manufacturer's warranty of four and five years.</p>	
MP32	Programme Momentum (previously Property Conservation / Shared Repairs)	<p>Programme Momentum has completed one full year and is currently on schedule and key risks and issues are being managed via the Programme Board. The settlement process is progressing well and is on target to finish in the summer. From 1 April the scope of Morton Fraser was extended to include all statutory notice debt recovery under the revised debt recovery policy. This is a pilot and progress is being closely monitored by the Programme Board. The legal workstream continues to</p>	<p>Programme is currently progressing to schedule and key risks and issues are being managed via the programme office and board.</p>	<p>Budget provision is a key risk following the saving of £0.5m requested for 2016/17.</p>	<p>Metrics to be provided (i) detailing progress with recovery of outstanding debt and WIP, and (ii) resolution of complaints and deferred cases.</p>	<p>Reduce outstanding debt and billing of completed work.</p> <p>Delivery of a sustainable and transparent service.</p>	<p>Risk: Amber/Red</p> <p>Reputational and ability to realise full debt.</p>

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		escalate as more debt recovery cases are pursued by the Council. The dashboard reports have again been refreshed and an activity volume forecast is provided to show the estimated remaining programme to close the legacy service and launch the new replacement service. Customer enquiries and FOI requests are increasing.					
MP33	Edinburgh St James	<p>The Edinburgh St James programme is a partnership being delivered by the City of Edinburgh Council, Scottish Government and the developer TIAA Henderson. The programme aims to redevelop the St James Quarter of the city at the east end of Princes Street. The development end value will be ~£850M and work is due to be undertaken between 2015 and 2020.</p> <p>Compulsory Purchase Order (CPO) has now been achieved. The Scottish Government gave notice on 12 Mar 2015 that a Public Inquiry would be held and a pre inquiry meeting would be held on 31 Mar 2015. A reporter has been appointed by the Scottish Government to conduct the inquiry and submit a report to Scottish Ministers.</p> <p>On 1 July the Development Management Committee approved several reserve matters relating to the Outline Planning Consent, including the use of limestone cladding.</p>	Date for commencement of CPO public enquiry has now been set for Sept. This has a knock on effect to the commencement of works on site, with reports delaying start from Sept 2015 to Feb 2016.	Contractual arrangements have been structured to minimise financial risk to CEC.	A Programme Manager has been assigned to support the SRO and closely monitor outputs from agreed obligations, as negotiated in agreements between the Council and other parties.	Redevelopment of an area at east end of Princes Street creating 42,500m2 of high-quality retail space, deliver 2,300m2 of grade A office space, a 210-bedroom five-star hotel, a 152-bedroom four-star hotel, a 55-bedroom apart-hotel, a theatre, restaurants and 138 residential units.	<p>Risk: Amber/Red</p> <p>Although the Council has fulfilled its responsibilities on this project, the requirement for the developer to delay construction to allow for the CPO could have an adverse reputational impact for the city.</p>

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP34	ICT Re-procurement	ISFT Evaluation now complete and a specially convened Finance and Resources Committee on 3 August will review the preferred bidder and planned transition period ahead of the new service provider starting in April 2016.	<p>Transition to a new ICT provider by 1st April 2016.</p> <p>1) Appointment of preferred bidder – 3 August</p> <p>(2) Contract award – 24.08.15</p> <p>(3) transition commences – w/c 24.08.15</p>	Project delivery budget shortfall identified of £125k. This is being managed by the SRO.	Assurance Review undertaken with a Green Amber Rating.	<p>£6m saving on target against £26.2m core spend</p> <p>The project will further develop their approach to delivering these savings.</p>	<p>Risk: Green</p> <p>However careful management of both transition and transformation to new ICT provider is essential.</p>
MP35	Early Years Projects	<p>These are three distinct and separate projects.</p> <p>The project at Fox Covert Primary School will deliver a new detached 70/70 nursery building and external play space.</p> <p>The project at Duddingston Primary School will demolish the existing nursery building and deliver a replacement and extended 60/60 nursery building and associated external play space.</p> <p>The project at Wardie Primary School will deliver a new detached 40/40 nursery building and associated play space.</p> <p>Procurement for each of these projects is being undertaken via Hub South East Scotland (Hub) involving Scott Brownrigg as the architects and Morrison Construction Ltd as</p>	All projects within programme are progressing to plan for completion in August 2015. Programmed early access dates for furniture installation are in place.	Market costs have increased on some work packages although CEC will assess this and utilise project contingency allowances as required.	The designs were progressed in consultation with the School Community. Pre-completion inspection meetings are being programmed with the Care Inspectorate.	Delivery will support the following Council outcomes CO1 and CO2 and Single Outcome Agreement SO3.	Risk: Green

Appendix 1: Overview of CPO Major Projects - June 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>the tier 1 contractor. Hub Stage 1 submission has previously been approved by CEC. Hub are currently finalising the Stage 2 process which includes detailed design and market testing. The market testing is running slightly behind although anticipate Stage 2 completion by mid June 2015. All projects are currently under construction having been progressed under a Letter of Intent to ensure that the required delivery dates can be achieved.</p>					

Appendix 2: Assurance Review Schedule Q3/4 2015/16

Ref	CPO Portfolio	Project/Programme	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	
MP2	Major Projects	EICC		Close Review: LS(L) & JMc, Laura					
MP4	Major Projects	James Gillespies Campus	Externally led - next CPO review July 2016 at completion. This will be a close review.						
MP7	Major Projects	New Boroughmuir High	Externally led - next CPO review July 2016 at completion. This will be a close review.						
MP8	Major Projects	New Portobello High School	Externally led - next CPO review July 2016 at completion. This will be a close review.						
MP16	Major Projects	H&SC Integration	Assurance Review: S Salvini?						
MP17	Major Projects	Personalisation					Post-project review		
MP18	Major Projects	Recycling Service Project	Close Review						
MP19	Major Projects	Fleet Review		Health check					
MP21	Major Projects	St James Quarter				Assurance Review:			
MP22	Major Projects	ICT Reprocurement		Ass'Rw: SR(L), Susan Hamilton,					