

Governance, Risk and Best Value Committee

10am, Thursday 30 January 2014

Governance of Major Projects: Water of Leith and Braid Burn Flood Prevention Schemes – referral from the Transport and Environment Committee

Item number	8.6
Report number	
Wards	5 – Inverleith 8 – Colinton/Fairmilehead 10 – Meadows/Morningside 12 – Leith Walk 14 – Craigentiny/Duddingston 15 – Southside/Newington 16 – Liberton/Gilmerton 17 – Portobello/Craigmillar

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report

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Terms of Referral

Governance of Major Projects: Water of Leith and Braid Burn Flood Prevention Schemes

Terms of referral

The Transport and Environment Committee on 14 January 2014 considered a report on progress made against a number of recommendations resulting from the findings of an assurance review undertaken by the Corporate Programme Office to determine lessons learned from Phase 1 of the Water of Leith Flood Prevention Scheme (WoLFPS) and the state of readiness for Phase 2.

An update was also provided on the governance arrangements which had been put in place during Phase 1 of the Scheme.

The Transport and Environment Committee agreed:

- 1) To note the progress made in relation to the findings of the Assurance Review Report undertaken by the Corporate Programme Office.
- 2) To note that cognisance had been taken of a number of issues encountered on the Braid Burn Flood Prevention Scheme.
- 3) To note that Phase 1 of the Water of Leith Flood Prevention Scheme was now substantially complete.
- 4) To note that Phase 2 of the Water of Leith Flood Prevention Scheme was now being taken forward.
- 5) To refer the report to the Governance, Risk and Best Value Committee.

For decision/action

The Transport and Environment Committee has referred the attached report to the Governance, Risk and Best Value Committee.

Background reading / external references

Transport and Environment Committee 14 January 2014.

Links

Coalition pledges	See attached report
Council outcomes	See attached report
Single Outcome Agreement	See attached report
Appendix	Report by the Director of Services for Communities

Transport and Environment Committee

10.00am, Tuesday, 14 January 2014

Governance of Major Projects: Water of Leith and Braid Burn Flood Prevention Schemes

Item number	7.3
Report number	
Wards	5 – Inverleith 8 – Colinton/Fairmilehead 10 – Meadows/Morningside 12 – Leith Walk 14 – Craigentenny/Duddingston 15 – Southside/Newington 16 – Liberton/Gilmerton 17 – Portobello/Craigmillar

Links

Coalition pledges	P28
Council outcomes	CO15 and CO21
Single Outcome Agreement	SO4

Mark Turley

Director of Services for Communities

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Executive summary

Governance of Major Projects: Water of Leith and Braid Burn Flood Prevention Schemes

Summary

The Water of Leith and Braid Burn Flood Prevention Schemes were both developed following the severe flooding in 2000.

The Water of Leith Flood Prevention Scheme (WoL FPS) comprises a series of walls and embankments along the river banks to protect properties from flooding. There are other associated works such as landscaping, pumping stations and drainage. Upstream storage has been created by modifying Harlaw, Threipmuir and Harperrigg Reservoirs. This has the benefit of reducing high flows during storms. As funding was not available to implement the Scheme in full, Council agreed at its meeting of 28 July 2009, to deliver it in phases. Phase 1 includes defences at Veitches Square, Stockbridge Colonies, Warriston, St Marks Park and Bonnington. This phase is largely complete.

Proposals for Phase 2 of the WoL FPS are currently under review and are likely to concentrate efforts in the Murrayfield/Roseburn Area.

The Braid Burn Flood Prevention Scheme was completed in 2010 and comprises a series of walls and embankments along the watercourse. There are other associated works such as new culverts and bridges, landscaping, pumping stations and associated drainage. Online storage was created at Colinton Mains, Inch Park and Peffermill Playing Fields which has the benefit of reducing high flows during storms.

The design criteria for both schemes are the same and allow for a 1 in 200 year event with an additional allowance for climate change.

An assurance review has been undertaken by the Corporate Programme Office (CPO) to determine lessons learned from Phase 1 of WoL FPS and the state of readiness for Phase 2. The assurance review report identified a number of recommendations and programme response/actions. This report details progress made against these recommendations.

The report details the governance arrangements that have been put in place and those being developed and details processes to ensure lessons learned on Phase 1 are taken forward into future phases.

A number of issues were encountered during the construction of the Braid Burn Flood Prevention Scheme (BB FPS) and cognisance was taken of these, in the further development of the design and documentation for the WoL FPS.

Recommendations

It is recommended that the Committee:

- 1 notes the progress made in relation to the findings of the Assurance Review Report undertaken by CPO;
- 2 notes that cognisance has been taken of a number of issues encountered on the BB FPS;
- 3 notes that Phase 1 of the WoL FPS is now substantially complete;
- 4 notes that Phase 2 of the WoL FPS is now being taken forward; and
- 5 refers this report to the Governance, Risk and Best Value Committee.

Measures of success

Modifications to the spillways at Threipmuir, Harlaw and Harperigg Reservoirs, completed in 2010, are helping to reduce the risk of flooding downstream. This work benefits all at risk properties along the length of the watercourse by providing additional storage capacity during storm events.

Benefits that arise from the completion of Phase 1 of the WoL FPS include the protection of 1,532 residential properties and 78 commercial properties.

Enhanced governance and protocols have now been put in place to ensure that Phase 2 of the WoL FPS delivers its benefits on time, on budget and to quality standards agreed with the stakeholders. The new reporting arrangements introduced will ensure transparent and consistent reporting by analysing key milestones, benefits, financials, risk and governance processes.

Financial impact

The budget available within the current Capital Investment Programme for completion of the WoL FPS was £63.539m.

The budget remaining after construction of Advance Works, Phase 1 and the preparatory work to date on Phase 2 is £19.916m.

An initial review of the scope of Phase 2 has been carried out that focussed on the Roseburn/Murrayfield area. The revised scope has an estimated outturn cost of £25.500m.

Capital budgets are currently being reviewed to ascertain how the shortfall in funding of £5.584m could be made available, to progress a reconfigured Phase 2.

Equalities impact

Opportunities were taken within the scheme to address social inclusion in the development of the design of the scheme. Where possible steps were removed and fully compliant access ramps introduced.

An Equalities Impact Assessment will be considered further in the development of Phase 2 of the WoL FPS. Access arrangements will be improved in future phases of the project. All stakeholders, interested parties and vulnerable groups will be consulted in the development of Phase 2.

Sustainability impact

As part of the planning process, an environmental impact assessment was carried out and an action plan prepared, for all Phases of the Scheme. The environmental impact of the scheme is mitigated by the agreed action plan which will be included in the contract documentation for Phase 2. This defines the Contractors' work methods and the restoration of the areas post construction.

Consultation and engagement

Briefing sessions have been undertaken for members of the Transport and Environment Committee on 6 March 2013 and for local elected members on 26 April 2013, in relation to Phase 2.

A communications strategy has been developed to inform those affected by the outstanding works.

It is also intended to engage further with the stakeholders in the development of the proposals for Phase 2 of the WoL FPS. The initial Stakeholder Meeting was held on 23 September 2013 with follow up meetings to be held.

Background reading/external references

- Terms of Reference for Working Group
- Terms of Reference for Oversight Group
- Risk Register
- Register of Activities
- Terms of Reference for Stakeholder Engagement
- Communications Strategy
- Financial Summary

Governance of Major Projects: Water of Leith and Braid Burn Flood Prevention Schemes

1. Background

- 1.1 On 24 November 2009, the Council agreed to complete the Water of Leith Flood Prevention Scheme (WoL FPS) in phases.
- 1.2 Advance works to provide additional storage during storm events at the reservoirs in the headwaters were completed in 2010.
- 1.3 Phase 1, which comprises defences at Bonnington, St Marks Park, Warriston, Stockbridge Colonies and Veitches Square, was largely completed in September 2013 with only minor works to pumping stations and Bell Place Bridge to finish.
- 1.4 As part of the process for governance of major projects, the Corporate Programme Office (CPO) has undertaken an Assurance Review on Phase 1 of the WoL FPS and examined the state of readiness for Phase 2.
- 1.5 Progress made against the recommendations of the Assurance Review is detailed in this report. Points raised in the Assurance Review comprise:
 - Strategic Alignment;
 - Governance;
 - Business Case;
 - Risk Management;
 - Resource Management;
 - Stakeholder Management; and
 - Readiness for next phase.
- 1.6 Responsibilities and roles have been defined and new Working and Oversight Groups have been formed to ensure a robust governance framework is in place.
- 1.7 Reporting lines and processes have been standardised to ensure transparency.
- 1.8 A number of issues were encountered during the construction of the Braid Burn Flood Prevention Scheme (BB FPS) and cognisance was taken of these in the further development of the design and documentation for the WoL FPS.

2. Main report

History

- 2.1 The construction work for Phase 1 of the WoL FPS commenced on site on 15 March 2011 with a scheduled completion date of 23 October 2012.
- 2.2 The estimated cost of construction at time of the award of the contract was £15.225m. There was also an allowance of £2.6m project contingency. These projects costs were reported to Council on 11 January 2011, at the time of contract award, and most recently on 2 May 2013.
- 2.3 A dispute arose with the Contractor which instigated adjudication procedures. These were superseded by a mediation process involving the CPO. This was reported to Council on 2 May 2013 and the Finance and Budget Committee on 6 June 2013.
- 2.4 A dispute arose with the Contractor and the project experienced budget and programming difficulties. CPO undertook a health check of the project which confirmed the concerns over outturn cost, programme duration and project management.
- 2.5 A Minute of Variation (MoV) was entered into with the Contractor on 9 April 2013. The MoV provided for full and final settlement of all historic and future claims. It includes a cost to complete for a fixed price of £23.5m, subject to substantiation.
- 2.6 Civil engineering work was largely complete in October 2013, with work to pumping stations, Bell Place Bridge and snagging issues to be addressed.
- 2.7 The majority of planting and landscaping works were complete by 31 August 2013. Seasonal planting was complete by 18 December 2013.

Assurance Review Findings

- 2.8 The Assurance Review, undertaken in May 2013, recommended the following areas as priority areas for action:
 - Re-affirm the Senior Reporting Officer (SRO) and Sponsor Roles to provide strong leadership;
 - Central commercial oversight;
 - SRO and Sponsor roles in the Governance Framework;

- Appoint a Council Project Manager to mitigate an over-reliance on an external project management company to act on the Council's behalf;
- Closer monitoring to pick up on Early Warnings signs;
- Independent review of Contract & Design Adequacy;
- Strengthen Project Client Management Skills;
- Improve the understanding of the Contractual Risk Allocation; and
- Embed Lessons Learned for future phases.

Strategic Alignment

2.9 The Phase 1 Client Project Manager now provides Standard Reports to CPO on a monthly basis. This information is then reported to the Council Management Team also on a monthly basis. CPO also provides reports to the Finance and Resources Committee quarterly and to the Governance, Risk and Best Value Committee every six months.

Governance

- 2.10 The proposed revised governance arrangements were detailed in the report to Council on 2 May 2013.
- 2.11 The role and remits of the Oversight and Working Groups have been agreed and documented. The Terms of Reference for these Groups can be found in Appendices 1 and 2 respectively.
- 2.12 The Acting Head of Transport has been appointed as the SRO and chairs the Oversight Group.
- 2.13 A Client Project Manager was appointed to conclude Phase 1 and was based on site, working closely with the Contractor and the Consultant's site supervision team.
- 2.14 A Client Project Manager for Phase 2 has been appointed. This is an individual with a background in project and contract management in the construction field. He has the specialist skill set to deliver a major project of this nature
- 2.15 The Working Group meets monthly as recommended in the Assurance Review.
- 2.16 The Oversight Group meets every eight weeks as recommended in the Assurance Review.
- 2.17 Both Groups cover Phases 1 and 2 and all meetings are minuted.
- 2.18 Senior Management is present at both groups. The Acting Head of Service for Transport chairs the Oversight Group and the Traffic and Engineering Manager chairs the Working Group.
- 2.19 Membership of both groups is as recommended in the Assurance Review Report with Corporate Communications and the Neighbourhood Area also now represented at the Working Group.

- 2.20 Finance and Legal are represented at the Working Group at all stages.
- 2.21 The Procurement Team will be represented at the Working Group at key stages in Phase 2 of the WoL FPS.
- 2.22 In the early stages of the project, Papers presented were often in their raw state as supplied by the Consultant. This was generally due to late delivery of information by the Consultant. Papers produced for Phase 2 are presently prepared by the current Client Project Manager. As the development of Phase 2 gathers momentum, the strengthened project management team should be in a position to have time to review information prior to it being passed to the Working and Oversight Groups.
- 2.23 Future Assurance Reviews will be undertaken at key stages of Phase 2 of the Scheme.
- 2.24 In addition, peer review audits by Finance and Legal will be programmed into Phase 2 of the Scheme.

Risk Management

- 2.25 The procurement of an independent Consultant, to review the design work undertaken for Phase 2 by the original Consultant, is in progress.
- 2.26 The scope of this review includes a check on the adequacy of the ground investigation, selection of defence type (buildability), robustness of design undertaken and to comment on contract risk. They will also comment on access arrangements and contract risk.
- 2.27 The findings of this design review will be known in May 2014.
- 2.28 Three risk workshops have been held to date. Risk Registers and Issues Logs are now standard items on the agenda of the Working and Oversight Groups. The Working Group considers all risks for the Scheme and the Oversight Group scrutinises the top five risks.
- 2.29 The current issues log is contained in Appendix 3.
- 2.30 Once Phase 2 construction commences, lists of Early Warnings and Issues will be standing items on the Working Group Agenda.
- 2.31 A register of activities and support required from other Council services has been developed and is contained in Appendix 4.

Resource Management

- 2.32 During the Assurance Review concerns were raised in relation to roles of the Client, Designer, and Contract Project Managers. There was also a concern over the independence of the Contract Project Manager. Going forward on Phase 2 there is a need to ensure sufficient skills are in place and roles are clearly defined.

- 2.33 A Client Project Manager has now been appointed for Phase 2. The supporting team is yet to be appointed. Project Management activities are being scrutinised and advice sought prior to making recommendations to the SRO.

Stakeholder Management

- 2.34 A Stakeholder Engagement Group for Phase 2 has been established and the initial meeting was held on 23 September 2013. The Terms of Reference for this Group can be found in Appendix 5.
- 2.35 The Works Information for Phase 2 will be developed so that the role of the Contractor Stakeholder Manager is clearly defined along with the level of support required.
- 2.36 A communications strategy has been developed which can be found in Appendix 6.

Readiness for Next Phase

- 2.37 Lessons learned from Phase 1 will be incorporated in Phase 2. An independent review of the design of Phase 2 undertaken to date, is being progressed and a strengthened project management team is to be established. Working and Oversight Groups for Phase 2 are already in place.
- 2.38 Prior to the investment decision for Phase 2, there will be a thorough options appraisal undertaken to ensure the correct design, procurement, contract form and contract management processes have been undertaken.

Finance

- 2.39 A financial summary of Phase 1 and all preparatory work is given in Appendix 7. This summary details funds available to complete Phase 2.

Braid Burn Flood Prevention Scheme

- 2.40 The BB FPS was completed in October 2010 and provides protection to approximately 900 properties. The anticipated cost of the main contract at the time of award was £22m but the outturn cost was £28.7m. The cost increased as a result of a number of issues encountered as outlined below. Due cognisance of the various issues encountered has or will be taken into account in the development of the WoL FPS.
- 2.41 The form of contract adopted was a target cost contract. A pain/gain mechanism was included in the Contract, in an attempt to incentivise the Contractor to make efficiency savings. This form of contract allows the Client to share in any savings made by the Contractor. Similarly the cost of any loss encountered is also shared. The Target cost is continually reviewed throughout the contract and is increased or decreased when any changes are instructed. These changes may be as a result of amendments to design or methods of work. The Target Cost is also increased when a risk carried by the Client is realised.

- 2.42 Risk workshops which included representatives from the Council, Scottish Government, an independent Contractor and the Consultants engaged on the BB FPS and WoL FPS were undertaken prior to the contract documentation being compiled.
- 2.43 The final cost for the main works was £28.7m. This cost included the Council's share of the pain as the Contractor's price of work exceeded the Final Agreed Target. The Final Target Agreed Cost was £27.3m and the Council's share of the pain was £1.4m. All additional costs were evaluated strictly in accordance with the Contract and were a result of realised risks.
- 2.44 The payment mechanism utilised for the BB FPS was an activity schedule. An activity schedule is a list of activities prepared by the Tenderer which are required to provide the specified works. When this list has been priced, the lump sum for each activity is the price that the Contractor will be paid on completion of that activity. The total of these prices is the Contractor's price for providing all of the works. This price includes all matters which are at the Contractor's risk.
- 2.45 A Bill of Quantities is a list of work items and quantities which is prepared by or for the Client. Tenderers price the items, taking account of the information in the tender documents and including all matters which are at the Contractor's risk. The Contractor is paid based upon the actual measurement of those items with quantities.
- 2.46 The price can vary, should employer held risks be realised or a change in the works instructed, regardless of the payment mechanism adopted.
- 2.47 It was initially intended for the payment mechanism for the WoL FPS to be an activity schedule. However it was elected to change to a Priced Bill of Quantities given the large number of projects being progressed by a number of Clients at that time. There was the concern that tenderers would have difficulty in providing meaningful tenders were an activity schedule to be utilised as the onus would be on them to create the activity schedule and price it.
- 2.48 The Scottish Government approved the change from Target Cost Contract with Activity Schedule, to a Priced Bill of Quantities.
- 2.49 Unforeseen ground conditions were encountered in localised areas on the BB FPS and it was necessary to amend the design in areas. Accordingly the Ground Investigation that had been undertaken on the WoL FPS was reviewed and the Consultant was instructed to undertake further investigations.

- 2.50 It was necessary to divert a large gas main over a considerable length as part of the BB FPS and it was intended to undertake these works in advance of the main contract to reduce the risk of delays. However, due to delays in obtaining a grant of servitude over Council land, this did not prove possible and the diversion was included in the main contract. There was conflict between the main Contractor and the nominated subcontractor undertaking the work, coupled with an amendment to the diversion design. The initial failure of compliance testing resulted in delays and increased cost, as this was on the critical path of the main contract.
- 2.51 In an attempt to mitigate such risks, the diversion of a number of public utilities was undertaken at Warriston Road in advance of Phase 1 of the WoL FPS. Similarly, consideration will be given to the advance diversion of a large gas main in Phase 2 of the WoL FPS.
- 2.52 Munitions were discovered in the Colinton Area on the BB FPS and the clearance of these and associated delay resulted in increased costs. It is noted that an unexploded World War 2 Bomb was discovered during the ground investigation for Phase 2 at Murrayfield. Further investigations will be undertaken to mitigate this risk.
- 2.53 The cost of the BB FPS also increased as a result of scope change. This scope change was as a result of works that had been undertaken by others, works instructed by the Council and that undertaken to accommodate residents as detailed below:
- Building works had been undertaken by others at Nairn Biscuit Factory and Duddingston Road West which resulted in the need to amend the design and construction methods which resulted in increased costs. It should be noted that these construction works had not been undertaken completely in accordance with the consents that had been granted, which had been accommodated for in the initial design. Annual walkovers were undertaken on the WoL FPS to ensure that such an issue did not arise on Phase 1.
 - An instruction was given to accommodate a proposed cycleway at Duddingston Road West during construction and this resulted in the need to remodel the burn in this area and realign a flood embankment. This also resulted in increased cost. It is proposed that if such a scope creep is proposed in future phases of the WoL FPS that those making the proposal should fund it. Such a risk was not encountered in Phase 1 of the WoL FPS.

- Assumptions had to be made at the design stage as a result of failure to agree the proposals with some residents in advance and as a result changes were required after construction began, resulting in increased project cost. These costs might have been reduced had the Council exercised the necessary powers of entry to undertake investigations for the purpose of fully developing the design. Whilst this risk was not encountered in Phase 1 of the WoL FPS, it reinforces the need to re-engage with stakeholders on Phase 2 of the WoL FPS and reach binding agreements on access at the appropriate stages to avoid unnecessary changes.

A robust Change Control Procedure will be put in place for Phase 2 which will result in the Working and Oversight Groups having visibility of all key issues.

- 2.54 There was severe flooding from the Braid Burn during construction of the BB FPS. Fortunately the permanent defences were nearing completion in the more vulnerable areas and flooding to property was kept to a minimum. However much of the Contractor's working area including his site compound was flooded. This delayed and disrupted the project and the Council was liable for the cost as it carried the risk of flooding for events exceeding a 1 in 10 year event. It should be noted that the flooding during Phase 1 of the WoL FPS was not of the same magnitude and the Contractor was liable for these costs.
- 2.55 One resident occupied an area of the site during the BB FPS construction and barricaded himself in. Again this disrupted and delayed construction, resulting in increased costs. High levels of vandalism were also experienced in this area.
- 2.56 An environmentalist was seconded part time to the site supervision team, in order to ensure environmental compliance. They checked the Contractor's working methods and risk assessments ensured that any potential delays associated with gaining the necessary consents from the Scottish Environment Protection Agency were avoided. A similar process was applied to Phase 1 of the WoL FPS.
- 2.57 There was a high level of stakeholder engagement on the BB FPS and it was elected to build on this success and the identical process was followed on WoL FPS.
- 2.58 A key success of the BB FPS was enhancement to the environment. The project received an Environmentally Sustainable Construction Commendation from the Saltire Society. The Saltire Society also noted the high level of stakeholder engagement on the BB FPS. The same ethos was followed on the WoL FPS.

3. Recommendations

- 3.1 It is recommended that the Committee:
- 3.1.1 notes the progress made in relation to the findings of the Assurance Review Report undertaken by CPO;
 - 3.1.2 notes that cognisance has been taken of a number of issues encountered on the BB FPS;
 - 3.1.3 notes that Phase 1 of the WoL FPS is now largely complete;
 - 3.1.4 notes that Phase 2 of the WoL FPS is now being taken forward;
and
 - 3.1.5 refers this report to the Governance, Risk and Best Value Committee.

Mark Turley

Director of Services for Communities

Links

Coalition pledges	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.
Council outcomes	CO15 – The public are protected. CO21 – Safe – residents, visitors and businesses feel that Edinburgh is a safe city.
Single Outcome Agreement	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
Appendices	1 – Terms of Reference for Working Group 2 – Terms of Reference for Oversight Group 3 – Issues Log 4 – Register of Activities 5 – Terms of Reference for Stakeholder Engagement 6 – Communications Strategy 7 – Financial Summary

Water of Leith Flood Prevention Scheme

Terms of Reference - Working Group

Purpose

The Group's purpose will be to scrutinise/monitor the management and progress of the Water of Leith Flood Prevention Project and provide support to the Oversight Group.

Objectives

The Working Group will:

- Scrutinise the information provided by the Project Manager to ensure that the directions given by the Oversight Group are carried out
- Scrutinise in detail the day-to-day management aspects of the Water of Leith Flood Prevention Scheme and take decisions, within agreed tolerances, on programme, budgets, and on matters referred by the Project Manager
- Refer decisions outwith agreed tolerances to the Oversight Group
- Report to the Oversight Group and make recommendations on matters requiring resolution
- Receive reports from the Project Manager in relation to changes and project tolerances as defined by the Oversight Group
- Ensure project delivery within agreed parameters (cost, time, organisational impact, benefits)
- Manage the impact of risk and change, including appropriate change control processes within tolerances set by the Oversight Group
- Manage risk and issues delegated by the Senior Responsible Officer and where appropriate escalate to the Oversight Group

Key areas of interest

The group will meet every four weeks (or more frequently as required) intervals at times and locations to be confirmed.

Project status reports will be provided by the Project Manager on:

- Programme/progress
- Finance and commercial matters
- Risk
- Issues requiring escalation
- Key milestones
- Dependencies
- Benefits
- Change management requests
- 3rd party compensation

Membership

Standard attendee list:

Chair

Traffic and Engineering Manager

Group Members

Legal services

Finance

Corporate Communications

Planning

Estates

Corporate Programme Office

Procurement (as required)

Neighbourhood Team (as required)

Advisors

Maintenance Manager

Project manager

Suppliers (for some items on agenda)

Representative from Consultant

Representative from Contractor

Agenda

The agenda for meetings will include the following:

- Feasibility
- Detailed design
- Site supervision
- Finance (budgets)
- Programme
- Risk registers/issues logs
- Early warnings/contractual matters
- Legal matters
- Property/land matters
- Communications
- Change management
- 3rd party compensation

Papers on the various issues to be discussed at the Working group will require to be circulated in advance of meetings

Project Tolerances

The Working Group can make decisions on matters which will increase individual elements of the project costs by less than £50,000 individually or £250,000 aggregated subject to the overall project cost remaining within the approved five year Capital Investment Programme budget for the project.

The Working Group can make decisions on matters which will delay delivery of the completion date for the project programme by less than one month.

The Working Group will make decisions on matters relating to 3rd party compensation. This is subject to the cumulative amount of all third party compensation remaining within the set allowance in the budget.

Anything which will exceed the above tolerances must be referred to the Oversight Group.

Water of Leith Flood Prevention Scheme

Terms of Reference - Oversight Group

Purpose

The Group's purpose will be to drive forward and deliver the agreed outcomes and the benefits of the project through scrutiny and guidance of each phase of the project.

Objectives

For the water of Leith Flood Prevention scheme the Oversight Group will:

- Define the acceptable risk profile and risk thresholds of the project
- Set the delegated authority rules and the escalation protocol within which the project must operate
- Ensure that the project delivers within its agreed parameters (cost, time, organisational impact, benefits)
- Resolve strategic issues taking into account engagement with stakeholders
- Understand and manage the impact of change, including appropriate change control processes
- Consider risks and issues escalated to the Oversight Group
- Consider appropriate action to manage dependencies with other areas of the Council
- Ensure the appropriate skill levels and resources are deployed on the project
- Set project tolerances (including financial and degree of delegation)

Key areas of interest

The group will meet at two month intervals at times and locations to be confirmed. Project status reports will be provided by the Project Manager on:

- Programme/progress
- Finance and commercial matters
- Risk
- Issues requiring escalation
- Key milestones
- Dependencies
- Benefits
- Change control
- Tolerances
- 3rd party compensation

Membership

Standard attendee list:

Chair

Senior Responsible Officer (Head of Transport)

Vice Chair

Head of Corporate Programmes

Group Members

Head of Finance

Advisors to the group

Major Projects Manager (Corporate Programmes Office)

Traffic and Engineering Manager

Legal Services Manager

Project Team (Water of Leith Flood Prevention)

Client Project Manager

NEC Project Manager

Agenda

The agenda for meetings will include the following:

- Actions from previous meeting
- Highlight report (Project Manager)
- Issues referred from Working Group
- Programme
- Costs
- Risk Registers and Issues Logs
- Compensation
- AOCB

Project Tolerances

The Oversight Group will decide on all matters affecting project delivery within the approved five year Capital Investment Programme budget for the project subject to contract standing orders and the scheme of delegation.

Matters which fall outwith the above will be referred to the relevant committee of the Council.

Water of Leith Flood Prevention Scheme ph 2

Issues Log - September 2013

Issue ID	Date Raised	Description	Actions	Target Date	% Complete	Closure Date
1	25/09/13	The SRU requirements / constraints are too onerous or not clearly defined and failure to get agreement results in delays to awarding project.	Engage with The SRU			
2	25/09/13	Project Management Team - Loss of key staff at the end of November	To be reviewed			
3	25/09/13	Project Management Team - Size of team requires to be confirmed	To be reviewed			
4	25/09/13	Stakeholder Requirements (Not SRU) - Unable to fulfil unrealistic expectations with respect to scope / delivery time	Engage with the Stakeholders			
5	25/09/13	Not managing stakeholder expectations will lead to damage to CEC reputation	Engage with the Stakeholders			
6	25/09/13	Site Compound - Delay to start of contract or increased costs to project if a suitable compound cannot be found.	Engage with the Stakeholders to ensure a compound location is agreed			
7	25/09/13	Gas Main - Failure to get Servitude agreements for gas main from 3rd parties will delay project	Engage with SGN			
8	25/09/13	Gas Main - Delay in deciding diversion route/requirements will delay project	Engage with all the Stakeholders			
9	25/09/13	Access - Access requirements of stakeholders require to be agreed and included in contract documents	Engage with the Stakeholders			
10	25/09/13	Access - Access not clearly defined in the contract	An independent review of the contract documents to be carried out			
11	25/09/13	Uncertainty in Robustness of design	An independent review of the design to be carried out			
12	25/09/13	The contract documents are not robust, lack comprehensive information are ambiguous or do not identify all the risks correctly	An independent review of the contract documents to be carried out			
13						
14						
15						
16						
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19						
20						
21						

Appendix 4

Register of Activities

Services for Communities Neighbourhood Environment Roads	Diversion Routes Temporary Traffic Road Orders PU Diversions Times of Operation
Services for Communities Neighbourhood Environment Parks and Green Spaces	Use of Roseburn Park
Children and Families	Safety of students in area Times of Operation
Finance Financial Services	Budget Control
Corporate Services Corporate Programme Office	Governance and Risk
Services for Communities Planning and Building Standards	Consents and Approvals
Corporate Services Legal and Risk Compliance	Legal Support
Corporate Services Corporate Property	Land Matters Third Party Compensation
Corporate Services Communications Service	Stakeholder Engagement Media
Finance Payment and procurement Service	Tender Processes

Water of Leith Flood Prevention Scheme Phase 2

Corstorphine / Murrayfield

Terms of Reference – Stakeholder Engagement

Purpose

The Group's purpose will be to fully engage Stakeholders, Public and Local Members in the reconfiguration of Phase 2 for the Water of Leith Flood Prevention Scheme which is fit for purpose and remains within budget constraints. The scheme must remain compliant with the Flood Prevention Order and the planning conditions. Suitable mitigation measures to be developed where necessary.

Objective

To develop a reconfigured Phase 2 which can be delivered within the available budget, provides adequate defence against flooding from the river, complies with the existing Flood Prevention Order and planning consents and has buy in from politicians, the local community, and other stakeholders.

Stakeholder Engagement

The group will meet every at times and locations to be confirmed.

An initial meeting/workshop	week one
Workshop 2	TBA
Workshop 3	TBA
Final meeting to agree outcomes	TBA

Membership

Standard attendee list:

Chair

Councillor Hinds

Group Members

Elected members – Corstorphine / Murrayfield Ward

Murrayfield community Council

CEC Parks

Roseburn Primary School

Scottish Rugby Union

Murrayfield Ice rink

Murrayfield Curling Club

Murrayfield Medical Practice

West Area Neighbourhood Team

Hanover Housing

Friends of Roseburn Park

Equalities Groups

Project Team

Maintenance Manager – Tom Dougall

Project Manager – Brian Torrance

Stakeholder Manager – Willie Henderson

Communications Manager – Chris Wilson

Project Engineer – Alvin Barber

Agenda

The agenda will be tailored to suit each meeting as it will vary dependent on the outcome of the previous meeting.

Suggested agenda for the initial meeting

1. Introduction
2. Phase 1 – Lessons learned
3. Finance
4. Draft Proposals
5. Future engagement
6. AOCB
7. Future meetings

Appendix 6 Communications Strategy

OCTOBER 2013

WATER OF LEITH FLOOD PREVENTION COMMUNICATIONS PLAN FOR PHASE 1 AND PHASE 2

VERSION 1

CONTENTS:

- 1. Background**
- 2. Aims and objectives**
- 3. Audiences**
- 4. Methods of communication**
- 5. Budget**
- 6. Roles and Responsibilities**
- 7. Outline timeline**

1. BACKGROUND

The Water of Leith Flood Prevention Scheme has been identified as a key infrastructure project to help protect vulnerable areas of the city to future flooding.

Given the size and cost of the project, the decision was taken to split it into 3 distinct parts:

Phase 1: Bonnington and Veitch Square (Stockbridge)

Phase 2: Murrayburn/Roseburn, Coltbridge, Damside, Belford and Edinburgh Sports Club

Phase 3: Balgreen, Saughton, Gorgie, Longstone and the Murray Burn

The total estimated costs of this work is £106m

In addition, there were advance works undertaken. The contract for Phase 1 was awarded to Lagan. Phases 2 and 3 are yet to be tendered.

Phase 1 is now complete.

The estimated cost of Phase 2 is £35.6m (£28.6m for construction and supervision and £7m contingency). Following the completion of Phase 1, there remains £19.916m.

The Council has developed a reconfigured Phase 2 that protects as many properties as possible which results in concentrating efforts in the Murrayfield area. The cost of the reconfigured scheme is estimated at £25.5m

At the Transport and Environment Committee on 4 June 2013, it was agreed that the Council would go ahead with the reconfigured scheme at £25.5m.

2. AIMS AND OBJECTIVES

- a) Communicate effectively and timely with affected stakeholders, residents and members of the public on the progress of the plans for Phase 2.
- b) Ensure consistency of messaging to all target audiences.

3. AUDIENCES

1. Working Group
2. Local residents and businesses (Phase 2)
3. Key Stakeholders within the area
4. General public
5. City of Edinburgh Councillors
6. Community Councils
7. Edinburgh MSPs
8. Edinburgh MPs

4. METHODS OF COMMUNICATION

- a) Face to face meetings
- b) Newsletter
- c) Letter
- d) Door to door meetings
- e) Media releases where appropriate
- f) City of Edinburgh Council website – section of www.edinburgh.gov.uk
- g) Poster sites around the site
- h) Social media
- i) Stakeholder meetings

5. BUDGET

The cost of this activity will be contained within the Water of Leith budget.

6. ROLES AND RESPONSIBILITIES

1. All media relations will be handled by Council Communications Division.
2. All electronic communications will be handled by Transport Service in accordance with Council policy, with help from Communications Division.
3. All communications with the Working Group will be handled by Council officers and elected members as required.
3. All door to door communications will be handled by the Transport Service in the first instance. Once a finalised design has been agreed and a contractor appointed, the contractor will take over the responsibility of door to door communications.
4. Content for newsletters will be generated by the Transport Service and Communications Division in conjunction with the contractor.
5. Content for a letter to all those affected by proposed Phase 2 works to be drafted by Transport Service with help from Communications Division

Appendix 7 Braid Burn Financial Summary

The following summarises the costs of the Braid Burn Flood Prevention Scheme.

Summary of costs

Fees and Surveys	£8.85m
Public utilities	£1.5m
Advance Works (Oxgangs Road North)	£2.2m
Construction Cost	£28.7m
Overland Flow Contract	£1m
Allowance for Statutory Compensation*	<u>£0.750m</u>
Total	£43m

* *Under the terms of the Flood Act statutory compensation can be claimed any time within 10 years of completion of the work*

Appendix 7 Water of Leith Financial Summary

The following summarises the costs of the Water of Leith Flood Prevention Scheme (WoL FPS).

Summary of costs

Budget for Water of Leith FPS	£63.539m
Water of Leith Preparatory Works <i>(prior to the decision to split the project into phases)</i>	£12.448m
Advance works (post split - prior to phase 1 – reservoirs)	<u>£1.990m</u>
Total	£14.438m
Preparatory works on Phase 2	£0.053m
Phase 1 (Fees and Surveys - estimated)	£3.886m
Phase 1 (Construction Costs – agreed*)	£23.500m*
	*from mediation
Phase 1 (Costs – outwith Lagan Contract)	£0.345m
Phase 1 (Statutory Compensation – anticipated **)	<u>£1.401m</u>
Total	£29.132m
Remaining budget for WoL FPS	£19.916m

* - Note - Phase 1 cost is based on the outcome of mediation including a fixed cost to construct Phase 1 of £23.5m

** - includes cost of condition surveys etc.

A summary of the flood schemes budget is shown in Table 2 overleaf.

Appendix 1
Revised 28 February 2013
Flood Prevention Schemes - Expenditure

	Earlier Years 2000 to 2012	2012/13	2013/14	2014/15	Future Years	Totals
		£,000				
Total SE Grant Received *	16,975					16,975
Capital Investment Programme	49,779	11,992	19,194	6,599	2,000	89,564
Flood Schemes Budget	66,754	11,992	19,194	6,599	2,000	106,539
Braid Burn Flood Prevention Scheme						
		Paid		4 Qtr		
Braid Burn FPS Expenditure	42,250					42,250
Braid Burn FPS Compensation (estimate)		36	214	300	200	750
Braid Burn FPS - Total						43,000
Water of Leith Flood Prevention Scheme						
						<u>63,539</u>
Budget available for Water of Leith FPS						
WoLFPS Advance Works (including Reservoirs, building strengthening, feasibility, design of whole scheme including tender process etc.)	14,215	213	10	0	0	14,438
Preparatory work on Phase 2	53					53
WoLFPS Phase 1						
WoLFPS Phase 1 Mediation Fees	0	168	236			404
WoLFPS Phase 1 Fees/ Surveys	1,471	922	447	642	0	3,482
WoLFPS Phase 1 Works Construction Costs	8,548	6,568	1,200	7,184	0	23,500
WoLFPS Phase 1 Works (outwith Lagan contract)	0			28	282	310
WoLFPS Phase 1 Risk / Change	0	0		35	0	35
WoLFPS Phase 1 Condition Surveys	179	17	13	50	0	259
WoLFPS Phase 1 Anticipated Compensation	38	4	100	1000	0	1,142
Water of Leith Phase 1 - Total						29,132
Total Committed Flood Schemes Expenditure	66,701	7,928	2,220	9,239	482	86,570
Remaining budget for future phases						19,916

Reservoir costs included in advance work

Phase 1 under construction (including Building Strengthening).

* Government grant no longer ring-fenced, but included in Single Outcome Agreement (SOA) between the Council and the Scottish Government