

# Governance, Risk and Best Value Committee

10.00am, Thursday 21 May 2015

## Governance of Major Projects: progress report

Item number	7.5
Report number	
Executive/routine	
Wards	All

### Executive summary

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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

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Coalition pledges	<a href="#">P03, P20, P23, P27, P28, P36, P41, P44, P47, P49, P51, P53</a>
Council outcomes	<a href="#">C01, C02, CO25, CO26</a>
Single Outcome Agreement	All

## Governance of Major Projects: progress report

### Recommendations

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- 1.1. It is recommended that 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 first two quarters of 2015/16 as set out in appendix 2.

### Background

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- 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 six monthly status update to Governance, Risk and Best Value Committee.

### Main report

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#### **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:

<b>Project/Programme</b>	<b>RAG status</b>	<b>Status</b>
Fleet Review	Amber	Complete.
St James Quarter	Amber-Green	Complete.
Connected Capital	Amber-Green	Complete.
21 <sup>st</sup> Century Homes		Underway.
H&SC Integration		Underway.
Recycling Services		Underway.

3.5. Fleet Services are currently in the identifying and defining a programme stage. The team who undertook the review recommend the following:

3.5.1. The Programme adopts the Council's preferred methodology (MSP – Managing Successful Programmes) for Programme Management. The Identifying and Defining a Programme Stages of MSP will formalise and help bring together all the strands of the programme including justification, scope and approach to delivery. If required the CPO can provide support in this area.

3.5.2. Delivery of a clear Governance structure including clarity on reporting lines, roles and identification of dependencies with other initiatives, e.g. depot review, community and accessible transport review etc, and implementing appropriate measures to manage these. Regular Programme Board meeting should be scheduled to strengthen governance arrangements and provide effective direction to the Programme.

3.5.3. Business Case and Programme Definition documents to be prepared that include clear programme scope, justification, options, costs, benefits and approach to delivery of the Programme.

3.5.4. Establish effective risk management. The Programme Manager and Business Change Manager(s) should take the lead role on this.

3.6. An Assurance Review of the St James Quarter was undertaken as the programme has moved from the identification stage and through most of the definition phase of the programme. The review recommended the following:

3.6.1. A dedicated event should be led by the Chief Executive. The purpose of this would be to clarify and refresh roles and responsibilities, clearly articulating to all CEC officers working on the project, the breadth and extent of their remit, the level of risk the organisation is willing to tolerate and the responsibilities of the main partners, i.e. Scottish Government and TIAA Henderson.

3.6.2. Consideration should to be given to the Governance structure going forward into the construction phase. This should include separating the role of the SRO and appointing a Programme Manager to closely monitor

- outputs from agreed obligations, as negotiated in agreements with CEC, to the Developer's programme.
- 3.6.3. Establish effective management understanding of risk and dependencies between the work streams in the event of CEC failure, with collective discussion of the risks and monitoring of the mitigating actions - it would be appropriate for this to be monitored by the appointed Programme Manager.
  - 3.6.4. Review the resources in place for the next stage of the programme as it prepares for and moves into the construction phase, including the appointment of a Programme Manager reporting to the current SRO.
  - 3.6.5. Ensure continued leadership for the programme with an SRO to oversee the Council's responsibilities in the partnership for the life of the programme, including construction and delivery of economic and community benefits.
- 3.7. The Connected Capital review focussed on the programme's Wireless Concession project which has just awarded the concession contract to InTechnology. The review team found good progress being made and the project employing good project management practice. Key recommendations were:
- 3.7.1. Actions from the benefits management strategy to be taken forward during the next phase of the project.
  - 3.7.2. A risk management workshop with the project team should be arranged to flush out all risks around implementation.
  - 3.7.3. Ongoing financial management to be finalised and communicated during project closure.
  - 3.7.4. Discussions regarding contract management arrangements with the board member for ICT Solutions need to be brought to a satisfactory conclusion before transition to business as usual.
  - 3.7.5. Programme Manager to provide clarity to project team on next steps.
  - 3.7.6. Engagement plan to be documented to identify whether there will be sufficient resource to carry out engagement activities.
  - 3.7.7. Establish whether the preferred bidder is willing to start the implementation phase at their risk, in order to increase the likelihood of launching a quality wifi coverage for Phase 1 areas of the city by 15 July 2015 (due to risks around timescales for wayleaves, procurement of lighting columns, listed building consents and Traffic Regulation Orders).
  - 3.7.8. If the bidder is willing to start at their risk, start to develop a joint mobilisation plan for delivery of all implementation phases, incorporating actions from the risk management workshop recommended in 2 above.
- 3.8. The forward schedule of reviews for Q1 and Q2 of 2015/16 is shown in appendix 2. These have been agreed with project/programme managers and SRO's. Further reviews may be included in the period as required.

## **Current highlights in the major projects portfolio**

### Early Years

- 3.9. Three Early Years projects have been added to the Major Projects portfolio since the previous update report. These projects will deliver new Early Years provision at Fox Covert and Wardie Primary Schools and replacement/extended provision at Duddingston Primary School.
- 3.10. Each project is being procured via Hub South East Scotland Ltd involving Scott Brownrigg as the architects and Morrison Construction Ltd as the tier 1 contractor.
- 3.11. The Hub stage 1 submission for each of the three projects has previously been approved and confirmed as being deliverable within project budgets. The Hub stage 2 process which involves detailed design and market testing is nearing completion.

### Health & Social Care Integration

- 3.12. The draft integration scheme was submitted to the Scottish Government for ministerial approval on 16 March, prior to the 31 March 2015 deadline. An earlier draft of the integration scheme submitted to the Scottish Government in January received positive feedback with only minor revisions recommended before final draft submission. Scottish Government has indicated a 12 week approval process which includes laying the order for the establishment of the new body before Parliament. The soonest expected approval/creation of the Edinburgh IJB is late June 2015, whereby it will commence its work in readiness for the delegation of functions and resources.
- 3.13. The national timescale for full operation of all integration of authorities and associated delegation remains unchanged at 1 Apr 2016. A Strategic Business Case for Integration has been prepared and was presented to Finance and Resources Committee on 19 March 2015.
- 3.14. The Corporate Programme Office will be conducting a health check of the Programme in April/May 2015 which will include a review of the Strategic Business Case in line with concerns raised at Finance and Resources Committee on 19 March 2015 around delivery of integration. If required, Corporate Programmes will also provide additional project support. Findings of the health check will be reported to the Corporate Leadership Group (CLG).
- 3.15. The creation of the Integration Authority also requires a comprehensive and three way due diligence process for NHS Lothian, the Council and the new IJB. Council Finance and Internal Audit are currently in discussion with NHSL Finance and Auditors to agree a process. Discussions have also commenced on scoping the dependencies with the Citizen and Neighbourhood project to ensure blueprint and phasing development takes account of the role and statutory requirements of the new Integration Authority. Similar discussions will be

required with the Business and Support service project within the Transformation Programme.

#### New Recycling and Waste Collection Service

- 3.16. The new recycling and waste collection service is progressing well to deliver to approximately 140,000 households by Sept 2015.
- 3.17. Palm recycling will manage the transition from the existing to the new service and from 1 Nov 2015 the recycling collection service will be brought in house and Palm / FMG staff will TUPE to the Council.
- 3.18. Three of the five phases of transition are now complete with 58,000 households now using the new service. Early indications suggest recycling performance continues to increase month on month, for example, reduction in landfill for phase 1 households from 7.7 to 4.7kgs/HH/Wk and an increase in recycling from 1.9 to 3.6 kgs.
- 3.19. Furthermore participation in the new scheme is averaging 73%, the target participation rate modelled is set at 80%.

#### ICT Services and Transformation Procurement

- 3.20. Delivery of the procurement activities is progressing towards appointment of a preferred bidder by the end of July 2015 and contract award by the end of Aug 2015 at which point transition activities from the current ICT provider to new provider commence. CLG will be aware that this reduces the original twelve month transition phase down to seven months increasing risk to this phase of the project.
- 3.21. It is worth noting that although it is planned that a significant number of transition activities will be undertaken by the new ICT provider there will be a requirement for a number of change activities to take place during this shortened transition period to ensure no disruption to Council operations or service as a result of new ICT systems and processes.

#### **Additional Consultancy Support**

- 3.22. 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.
- 3.23. The CPO is providing project and consultancy support in the following areas:
  - development and management of the Transformation programme;
  - continued 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);
  - support to the Health and Social Care Integration Scheme;

- specific resource to Organisational Development, Commercial Excellence programmes and Business Intelligence; and
- support for the ICT Procurement project including the competitive dialogue process and bidder evaluation.
- Programme Management support to Edinburgh St James.

## Measures of success

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- 4.1 A successful project delivers its benefits on time, on 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

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- 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

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- 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

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- 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

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

## Consultation and engagement

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- 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

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

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## Links

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### 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 - February 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Other
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"> <li>- Voucher scheme – to assist with broadband connectivity charges for SMEs. Uptake of vouchers by SMEs has been lower than forecast but the scheme has been widened to include the Lothians, Fife and Scottish Borders. On 18<sup>th</sup> March 2015, the Chancellor of the Exchequer announced the voucher scheme would be extended to 31<sup>st</sup> March 2016 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.</li> <li>- Public Building WiFi – delivery of free WiFi access to approx 45 sites. All work within the control of CEC has either been completed or is scheduled to be completed to plan.</li> <li>- Wireless Concession - InTechnology have been approved as the preferred bidder to deliver the concession. Work is due to commence shortly on delivery and a core area of the city centre will have wireless capability delivered by the summer of 2015.</li> </ul>	<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>	<p>Spend within budget. The Council will invest up to £1.2m from the IT efficiency fund to secure up to £9m of funding from BDUK.</p>	<p>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>	<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>	

## Appendix 1: Overview of CPO Major Projects - February 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Other
		<p>- Transport WiFi – WiFi deployment across the Edinburgh Tram and Lothian Buses fleet was completed in Dec 2014. Residents and visitors are able to access up to 4G speeds when travelling on these services. 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.</p>					
<b>MP8</b>	<b>James Gillespie's Campus</b>	Design, Build, Finance and Maintain (DBFM) contract comprising the delivery of the new secondary school. The teaching block was completed to schedule on 3 Apr 2015 and will be ready for occupation by the school at the start of the new school term.	Phase 1 completion will be Easter 2015. Phase 2 completion will be August 2016.	Potential increase in costs relating to submission of change order requests (CORs). A retained project budget contingency should accommodate these.		Coalition Pledge P03 – Rebuild James Gillespie's High School while providing adequate investment in the fabric of all schools.	
<b>MP10</b>	<b>National Housing Trust</b>	<p>NHT Phase 1 complete - delivered 422 new affordable homes across the city. All programmed spend has been drawn down by the four LLPs for each development. The projects are now in housing management phase and as such could be treated as "business as usual".</p> <p>Phase 2: The Council have entered into</p>	On schedule.	Forecast to complete within budget.	November 2014 Assurance Review completed with status of Green.	<p>422 NHT Homes have been completed and are now fully tenanted.</p> <p>Neighbourhood regeneration and creation of</p>	

## Appendix 1: Overview of CPO Major Projects - February 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Other
		<p>contracts with FP Newhaven Two Ltd. 96 homes will be completed over 6 phases with completion scheduled for Dec 2016.</p> <p>Phase 3: Finance and Resources Committee on 3 Feb 2015 approved a recommendation to enter into a contract with four bidders. The City of Edinburgh Council on 12 Feb 2015 approved borrowing for this phase. 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.</p>				jobs and training opportunities.	
MP11	21st Century Homes	<p>Gracemount: development complete and all properties let. The Programme won the Chartered Institute of Housing Building Successful Communities Excellence in Regeneration Award in Nov 2014 for this development.</p> <p>Greendykes C: development complete and all properties let.</p> <p>West Pilton Crescent: development complete and all properties let.</p> <p>Pennywell – works progressing to schedule. The first properties will become available mid 2015. This project has been shortlisted for the Scottish Property Awards for the best achievement in master planning. Work is on track to submit the Approval of Matters specified by condition (AMC) application to</p>	Programme progress within target timescales.	Within budget		<p>(i) Community Benefits including employment and training opportunities.</p> <p>(ii) Increasing affordable housing supply across the city.</p> <p>(iii) Providing support to the economy and construction industry.</p>	

## Appendix 1: Overview of CPO Major Projects - February 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Other
		<p>planning by April 2015 to enable a site start on Phase 2 in spring 2016 as per the target in the development agreement.</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.</p> <p>Leith Fort: Procurement underway and construction anticipated to commence by late 2015.</p>					
MP12	<b>New Boroughmuir High School</b>	<p>The principal contractor, O’Hare &amp; McGovern, have commenced works onsite and piling is underway as part of the sub-structure works.</p> <p>There has been some minor slippage to the plan due to extensive existing concrete slabs below ground level which have delayed the piling operations. The implications of this on the programme are currently being assessed with the contractor.</p> <p>Marketing of the existing school began in late 2014 and a closing date for offers was set for the end of Feb 2015. Offers received are now being assessed by Corporate Property Estate Services.</p>	<p>There has been some minor slippage to plan due to extensive existing concrete slabs below ground level which have delayed the piling operations.</p>	<p>Possible claim under consideration against the contractor who undertook the demolition works at the time of site acquisition, due to the presence of asbestos fibres at three identified “hot spots”. This work did not form part of the main contract for construction of the new school.</p> <p>The total change order requests (CORs) remain at 20 and represents the</p>		<p>Aligns with Council Outcomes – C01, C02, and SO3.</p>	

## Appendix 1: Overview of CPO Major Projects - February 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Other
				collective output of a client design review undertaken during the tender period. If changes approved the total costs would be contained from the client contingency in the project budget.			
MP13	<b>New Portobello High School</b>	<p>Balfour Beatty took formal possession of the site on 13 October 2014.</p> <p>Works were delayed by three weeks due to weather and design issues however reprogramming and phasing have maintained positive progress. It is anticipated the slippage will be recovered within the overall project duration. The substructure and drainage works are well underway and critically the first phase of structural steel has commenced. The car park is now complete to base course level and will be used for the main site accommodation.</p> <p>At its meeting on 11 December 2014 Council approved that the new St John's RC Primary School should be built on (part of) the adjacent site of the existing Portobello High School. In order to facilitate the delivery of the new primary school at the earliest opportunity there will be two key implications for the project to deliver a new Portobello High School:</p>	<p>The contract programme has a completion date of May 2016 which will allow the planned opening of the new school in August 2016 for the start of the 2016/17 school year.</p> <p>Consideration being given to the decant date from the old school, and the opportunity to progress before school summer holidays 2016.</p>	<p>The school being sited on Portobello Park has allowed £3.5m of contingency to be released. A further £3.7m contingency retained in the Children &amp; Families (C&amp;F) Capital Investment Programme can be released, as two key risks no longer remain: funding deficit if the new school was built on a phased basis on the existing site, and the need to build St John's RC Primary on a different site. The</p>		Aligns with Council Pledge P03, Council Outcome C01 and C02 and Single Outcome Agreement	

## Appendix 1: Overview of CPO Major Projects - February 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Other
		<p>(i) The contract for the demolition of the existing Portobello High School will be combined with that for the construction of the new St John's RC Primary School to allow construction works to be started in tandem with the demolition works as the entire site would be under the responsibility of a single contractor. The cost of demolition would still be met from the Portobello High School</p> <p>(ii) The decant from the old school will be before the school holidays in summer 2016. Obviously this would be dependent on the new school being completed by then however there would be several advantages with this timing; it would allow those existing pupils who would leave at the end of 2015/16 school year an opportunity to experience the new school and would also allow an early start to the project to deliver a new St John's RC Primary School.</p>		total savings of £7.2m have been earmarked as part of the Council funding package which would be required for the potential replacement of Queensferry High School as explained in the report to <a href="#">Council on 25 September 2014</a> .			
MP14	Niddrie Burn restoration	<p>The Niddrie Burn River Restoration (NBRR) was initially developed by Scottish Enterprise and they obtained planning consent in 2009. The project was then passed to the Council to progress in conjunction with Public Transport Link.</p> <p>Finance and Resources Committee on 16 Mar 2010 agreed to delivery of Phase 1 of the</p>	Project completed eight months behind original schedule due to adverse weather events during construction and increase in scope of work and design change.	The majority of Section 75 payments have now been recovered for Phase 1.	There is a legally binding agreement for the Council to provide bridge abutments to allow access to a future development to the south of the burn and these are yet to be constructed and discussions regarding this are ongoing with the developer.	<p>Re-alignment of burn and flood alleviation allows sick kids hospital to be re-located.</p> <p>Development of housing</p>	

## Appendix 1: Overview of CPO Major Projects - February 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Other
		<p>project and subsequently approved the award of the contract to Carillion Civil Engineering Construction Ltd for Phase 1 on the 29 Mar 2011. It was also highlighted at this time that there were insufficient funds to complete all the work highlighted in the planning consent.</p> <p>Any progression of a Phase 2 would require further consideration and approval from Council. Funding for a future phase is not currently part of the approved Capital Investment Programme.</p> <p>Carillion have lodged claims totalling £4.4M (which may reduce to £2.9M). These claims have been rejected and the Council is awaiting Carillion's proposals regarding ongoing discussions to settle the claim.</p>				Further economic growth of BioQuarter.	
MP19	<p><b>Water of Leith, Flood Prevention Scheme</b></p> <p><b>Phase 1</b></p>	<p>The Water of Leith Flood Prevention Scheme – Phase 1 as approved by the Council in Nov 2009 comprises flood defences at Bonnington, St Mark's Park, Warriston, Stockbridge Colonies and Veitch's Square.</p> <p>Construction is complete and a certificate of completion was issued on 23 May 2014. Also 50% of the retention has been released to the primary contractor, Lagan.</p> <p>Landscaping works are near completion. The only outstanding area of landscaping is at Hugh Millar Place and this is to be reviewed now the residents' comments have been received.</p>		£623k has been transferred from Phase 1 budget to Phase 2. Oversight Group agreed to transfer another £480k from Phase 1 to Phase 2. This reduction can be accommodated in the Phase 1 budget.	Claims for third party damages and compensation continue to be considered and settled. Further claims are anticipated that may result in much of the contingency associated with third party compensation being used.	<p>Protect 1,610 residential and commercial properties from flooding.</p> <p>Reduce dependency on emergency temporary flood defences.</p>	

## Appendix 1: Overview of CPO Major Projects - February 2015

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MP29	<p><b>Water of Leith, Flood Prevention Scheme</b></p> <p><b>Phase 2</b></p>	<p>Tenders for the main works contract were issued on 20 Mar 2015 with bids to be returned by May and a contract will be awarded in November 2015.</p> <p>Negotiations with the SRU are reaching a conclusion and it is likely a recommendation will be brought to Finance and Resources Committee in May 2015 regarding the outcome of these negotiations.</p> <p>A recommendation regarding the Scottish Gas networks diversion will also be provided to Committee in May.</p>	<p>Programme progress is within target timescales.</p>	<p>Council approved funding at the end of September 2014 based on a reallocation of funding within the Services for Communities (SfC) Capital Investment Programme.</p> <p>The £25.2m funding agreed includes provision for construction risk and a contingency sum for unforeseen events.</p>	<p>Assurance Reviews have been included in the programme plan at scheme definition (Sept 2014) and prior to award of contract (Nov 2015). The first of these is now complete and assessed the project as being Amber-Green (delivery probable).</p> <p>Ongoing stakeholder engagement activities have raised no significant issues.</p>	<p>Protect 492 residential &amp; 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>	
MP22	<p><b>Zero Waste: Edinburgh and Midlothian</b></p>	<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, Alauna Renewable Energy (ARE) remain confident that the service commencement date of 31 Dec 2015 remains achievable.</p> <p>Provision of access road, bridge and utilities directly by the Councils remains within programme tolerances. Delivery of access road, bridge and utilities remains within</p>	<p>The food waste transition project remain 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</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</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</p>	

## Appendix 1: Overview of CPO Major Projects - February 2015

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		<p>programme tolerances.</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 have been heavily engaged in pre-planning application activities and lodged a planning application with Midlothian Council in March 2015. Provided the application is successful, there should be sufficient time to reach contract close while the final tender price is held.</p>	project remains within target timescales.	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.		food waste treatment contract.	
MP24	Leith Programme	<p>Phase 1 (Constitution street) – Complete.</p> <p>Phase 2 (Leith Walk–Crown Place to Pilrig Street) – Complete with exception of minor issues. Outturn costs expected to be within budget. Hearing into objections to TRO for two localised areas made to T&amp;E Committee on 13 Jan 2015 and recommendations approved. TRO now in force.</p> <p>Phase 3 (Foot of the Walk Junction) – Construction commenced 16 Feb 2015. A report on objections to taxi stance, doctor's parking bay and city car club bay at Casselbank Street was tabled at T&amp;E Committee in January and presented to the Regulatory Committee on 2 Feb 2015 and recommendations approved. Liaison with private developer refurbishing</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.	<p>The Council has made a financial commitment of £5.5m towards the construction costs as reported to the <a href="#">Finance and Resources Committee on 31 July 2012</a>.</p> <p>Funding of up to £3.6m has also been awarded to the programme from Transport Scotland, via Sustrans Scotland.</p>	Work on interface between Leith Programme, major development proposal at Picardy Place and a possible future tram extension on Leith Walk are ongoing.	<p>Increase in cyclists using Leith Walk.</p> <p>Improved cycle pedestrian &amp; businesses env.</p> <p>Increased levels of satisfaction within the local Community.</p> <p>Fewer claims/ complaints-trips &amp; potholes.</p> <p>Uptake of local</p>	

## Appendix 1: Overview of CPO Major Projects - February 2015

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Other
		<p>Newkirkgate shopping centre to ensure proposals are complimentary are ongoing.</p> <p>Phase 4 (Leith Walk – Pilrig Street to McDonald Road). Several concept options for new “tram proofed” design developed and presented to Elected Members Oversight group. A preferred option has been identified and currently being developed to a level that will allow TRO/RSO procedures to commence (subject to approval of the Tram Extension Business Case). Construction expected to commence in early 2016.</p>		<p>There is currently a projected funding shortfall. However work is underway to review contingency funding and it is anticipated to close the shortfall gap significantly.</p>		<p>tables/chairs b’sness licenses</p> <p>Enforcement of parking/loading restrictions.</p>	
MP25	<b>Forth Replacement Crossing</b>	<p>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. Soft landscaping will continue through Spring 2015.</p> <p>B800 bridge construction works are programmed to be complete in late April 2015</p>	<p>As TS is the lead agency, CEC has no influence on delivery timescales. However it is reported that the project is scheduled to be delivered early.</p>	<p>As TS is the lead agency no budget information reported.</p>	<p>Work in progress with Transport Scotland to define adoption extents; clarify handover and quality assurance processes.</p>		

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		allowing the temporary transfer of traffic to facilitate the construction of the realigned road whilst maintaining two way traffic. Utility diversions are now complete.					
MP28	Health & Social Care (H&SC) Integration	<p>The draft scheme was submitted to the Scottish Government in late Jan 2015 for informal comment on the content. Feedback was positive with only minor points requiring revision. Which were agreed at the Chief Officer Oversight Group on 26 Jan 2015.</p> <p>Formal consultation took place between the 20<sup>th</sup> Jan and 23<sup>rd</sup> Feb 2015. 23 responses were received, 11 from organisations and 12 from individuals. The Chief Officer Oversight Group considered the responses material to the content of the scheme and agreed amendments.</p> <p>The draft integration scheme was revised in conjunction with NHS Lothian, and submitted to NHS Lothian Board and City of Edinburgh Council for consideration and approval at the Board meeting on 4 Mar 2015 and Council on 12 Mar 2015.</p> <p>The strategic business case for the scheme is complete and was submitted to Finance and Resources Committee on 19 Mar 2015.</p>	<p>The draft integration scheme was submitted to the Scottish Government ahead of the 31 Mar 2015 deadline.</p> <p>All integration authorities and associated delegation must be in place by 1 April 2016.</p>	<p>In May 2014, the Scottish Government allocated £615,000 transition funding to the Edinburgh City Partnership. However overall financial implications are yet to be established.</p> <p>Due diligence has commenced with Internal Audit.</p>	<p>A project health check will be undertaken in April 2015. Within scope will be a review of the Strategic Business Case and deliverability of the scheme by 1<sup>st</sup> April 2016.</p> <p>A process of due diligence is currently in preparation with NHS Lothian.</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>	
MP30	Recycling	The new Recycling and Waste Collection Service is being rolled out to approximately	Phase 1: September 2014: 20K households	New bins procured within agreed budget.	Metrics being collated to	Initial data	

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	<b>Service Project</b>	<p>140 000 households between September 2014 and September 2015.</p> <p>Palm Recycling will manage the transition period (September 2014 – November 2015) from the existing to the new service. From 1<sup>st</sup> November 2015 the recycling collection service will be brought in house and Palm/ FMG staff will TUPE to City of Edinburgh Council.</p>	<p>(COMPLETE) Phase 2: November 2014: 20K households (COMPLETE) Phase 3: March 2015: 20K households (NEARING COMPLETION) Phase 4: June 2015; 40K households. (UNDERWAY) Phase 5: September 2015: 40K households</p>	<p>Budget £2,704,045 (Revenue) £4,126,225 (Capital)</p>	<p>measure changes to recycling of waste with encouraging early indicators.</p>	<p>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>	
<b>MP31</b>	<b>Fleet Review</b>	<p>The fleet review programme scope is to be clearly defined but a large component of the programme is designed to deliver cost savings from 2014/15 onwards through modernisation of the Councils fleet of vehicles.</p> <p>Procurement – civic vehicles and first tranche of cars procured and scheduled to arrive on site in April 2015. Work has commenced on replacement of refuse collection vehicles. Work has concluded on the procurement of a new unescorted passenger journey contract on behalf of Council services.</p> <p>In recent weeks work has commenced on the scoping of the wider fleet review, with</p>	<p>Current project plan includes large number of concurrent procurements for different vehicle types – project team to be resourced to support this level of activity.</p> <p>Once the scope is agreed a revised programme plan will be prepared.</p>	<p>Work ongoing with service departments to ensure full transparency on costs and charges to enable well informed management decisions on fleet requirements. Work underway with Finance to determine a fit for purpose accounting structure to support this development. Fleet services are in the</p>	<p>Assurance review of the programme has been completed and rated the programme as amber overall.</p> <p>The review team recommended that a Business Case for the programme is developed and agreed that includes a clear definition of the programmes scope, options, vision and benefits</p>	<p>Delivery of £1.3M benefits.</p> <p>Reduction in number of vehicles and carbon footprint.</p> <p>Improved service delivery from more reliable fleet with manufacturer's warranty of</p>	

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		involvement from the Transformation Programme and Commercial Excellence. A programme scope will be presented to SFC Senior Management Team (SMT) and CLG in the near future to seek approval to commence work on delivery of the activities within scope.		process of being de-badged as a Significant Trading Organisation (STO) and it is anticipated that the new streamlined structure will reduce the levels of administration associated with STO operations including internal recharging procedures.		four and five years.	
MP32	Programme Momentum (previously Property Conservation / Shared Repairs)	<p>All unbilled cases have been reviewed, as have the originally identified complex complaint cases. The new settlement process has commenced and offer letters are being issued to affected owners. Billing continues and has now exceeded £10.7M with £5.1M recovered. Morton Fraser has been appointed to pursue aged debt.</p> <p>Implementation activities associated with the new service have commenced.</p>	Programme is currently progressing to schedule and key risks and issues are being managed via the programme office and board.	<p>As reported to <a href="#">Finance and Resources Committee on 19 March 2015</a>.</p> <p>Where Morton Fraser take all 1850 debtors through to inhibition, the cost to the Council will be approximately £731,860. In the best case scenario where Morton Fraser take no debtors through to inhibition and recover all monies through payment plans, the cost to the Council</p>	Metrics to be provided (i) detailing progress with recovery of outstanding debt and WIP, and (ii) resolution of complaints and deferred cases.	<p>Reduce outstanding debt and billing of completed work.</p> <p>Delivery of a sustainable and transparent service.</p>	

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				<p>will be approximately £316,111.</p> <p>These figures are an indication of the total cost to the Council, and include the current cost of debt recovery in respect of statutory notice debt. This will be contained within existing budgets.</p>			
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 <a href="#">St James Quarter</a> 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</p>	<p>Date for commencement of CPO public enquiry has now been agreed and is later than expected.</p> <p>The implications of this on the programme are currently being assessed</p>	<p>Contractual arrangements have been structured to minimise financial risk to CEC.</p> <p>As reported to <a href="#">Economic Committee on 22 May 2014</a> the Council will borrow £61.4m which will require annual repayment of £4.77M over a 23 year period.</p>	<p>Agreements in development with the Scottish Government and TIAA Henderson that will take cognisance of quality.</p> <p>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.</p>	<p>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</p>	

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		Scottish Ministers.				apart-hotel, a theatre, restaurants and 138 residential units.	
MP34	ICT Re-procurement	<p>Procurement activities to appoint a new ICT provider are now in the Invite to Submit a Refined Solution (ISRS) stage.</p> <p>This stage will be followed by an invite to submit final tenders by mid June 2015 and appointment of preferred bidder at the end of July 2015 allowing seven months for transition activities.</p>	<p>Transition to a new ICT provider by 1st April 2016. Key dates are detailed below;</p> <p>(i) Final tenders received (Stage 4 – ISFT) – 15.06.15</p> <p>(ii) Appointment of preferred bidder – 31.07.15</p> <p>(iii) Contract award – 24.08.15</p> <p>(iv) transition commences – w/c 24.08.15</p>	<p>Project delivery budget shortfall identified. This is being managed by the sponsor and lead and there is confidence that this will come in on target. Once funding of this shortfall can be demonstrated then the status will move to Green.</p>	<p>ISRS Invite to deliver a refined solution will enable the project to build in quality aspects that were lacking in some requirements specifications earlier in the process.</p>	<p>£6m saving on target against £26.2m core spend</p> <p>The project will further develop their approach delivering these savings.</p>	<p>Careful management of transition to new ICT provider is essential. The transition period has reduced from an original 12 month to a 7 month period.</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</p>	<p>All projects within programme are progressing to plan for completion in August 2015.</p>	<p>All projects are forecasting spend within budget.</p> <p>Budget:</p> <p>Wardie £774K</p> <p>Fox Covert £1.499K</p> <p>Duddingston £1.023K</p>		<p>Delivery will support the following Council outcomes CO1 and CO2 and Single Outcome Agreement SO3.</p>	

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		<p>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 the tier 1 contractor. Hub Stage 1 has been completed. Hub Stage 2 process which involves detailed design and market testing is near completion.</p>					

## Appendix 2: Assurance Review Schedule Q1/2 2015/16

Ref	CPO Portfolio	Project/Programme	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	
MP1	Major Projects	Connected Capital						Close Review	
MP2	Major Projects	EICC			Close Review				
MP3	Major Projects	iPFM					Post-project review		
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.						
MP9	Major Projects	Niddrie Burn Restoration						Close Review	
MP11	Major Projects	Water of Leith, Flood Prevention Scheme - Phase 1		Close Review					
MP12	Major Projects	Water of Leith, Flood Prevention Scheme - Phase 2			Assurance Review				
MP13	Major Projects	Zero Waste: Edinburgh and Midlothian						Assurance Review	
MP14	Major Projects	Leith Programme					Assurance Review		
MP16	Major Projects	H&SC Integration	Healthcheck		Assurance Review				
MP18	Major Projects	Recycling Service Project	Assurance Review						
MP20	Major Projects	Programme Momentum		Assurance Review					
MP22	Major Projects	ICT Reprocurement			Assurance Review				