

Governance, Risk and Best Value Committee

10.00am, Thursday 12 November 2015

Governance of Major Projects: progress report

Item number	7.5
Report number	
Executive/routine	
Wards	All

Executive summary

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

Links

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

Governance of Major Projects: progress report

Recommendations

- 1.1. It is recommended that Governance, Risk and Best Value 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 note the findings from the latest completed assurance reviews contained in section 3.4-3.14.

Background

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

Main report

CPO Reporting Arrangements

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

Assurance Reviews

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

Project/Programme	RAG status	Status
Water of Leith Phase 2	Green	Complete
Programme Momentum	Amber-Green	Complete

- 3.5. Key recommendations from health checks and assurance reviews completed during this reporting period are detailed below.
- 3.6. The health check of Water of Leith Flood Prevention Phase 2 produced an overall assessment of Green. The Project demonstrates strong governance, strategic alignment, proactive, stakeholder engagement and a robust plan for delivery including the completed negotiations with the Scottish Rugby Union (SRU) for temporary and permanent land purchases to enable wider works. The approach to risk management is also strong with the lessons learned from phase one of the flood defence scheme reviewed and actions taken to minimise similar issues arising, for example, the preferred bidder has accepted risk in relation to ground conditions and utilities that caused significant issues and compensation events in the Phase 1 project.
- 3.7. The review found a strong Governance framework. However, there is an outstanding requirement to appoint an NEC Project Manager to manage the Council's interest and to have responsibility for making key decisions.
- 3.8. The project has been resourced mainly by experienced external contractors to work in the Council's interest. It is acknowledged that internal resourcing needs to be secured to undertake a site supervisor role and gain knowledge transfer and experience in managing this type of contract and scheme.
- 3.9. The CPO Assurance Review makes the following recommendations:
- Governance – delegate the majority of decision making responsibility to the NEC Project Manager level. This is a requirement of such a NEC contract which demands quick turnaround of decisions and efficient contract management. Decision making at working group and oversight group should be by exception. The Project Director should seek agreement from the Oversight Group on the degree of delegation to the Project Manager, being mindful that the Project Manager must act in the manner stipulated in the NEC contract.
 - Resource – it will be critical to the success of the project that the NEC Project Manager appointed should be sufficiently experienced in managing this type of contract to ensure the interests of the Council are protected at all times.
- 3.10. Resource – project assurance is important in all projects, but as most of the decision making will be made by the NEC Project Manager it will be particularly important in this case. The review recommends a project assurance role is considered. This role would oversee progress and report directly to the Programme Director and Oversight group.

- 3.11. The Shared Repairs Service Project forms part of Programme Momentum, which was set up in June 2014 to take forward the restructuring of the Council's statutory repairs service. The Project will establish a new service by April 2016, with a pilot beginning in September 2015.
- 3.12. The Project demonstrated strong strategic alignment through high levels of senior management and political commitment and engagement, governance and reporting arrangements are well developed, and the project has a clear work-stream structure. Risks are well documented and widely understood among the project team, and the project has access to skilled staff from a variety of backgrounds.
- 3.13. The main areas of concern highlighted include the budget allocation for the new service, the continuing validity of the Business Case, the impact of recent changes in the Project team, issues with the recruitment of technical staff, and the need to ensure that Elected Members have a clear understanding of the costs of the new service and the limitations of their role within it.
- 3.14. The CPO Assurance Review makes the following recommendations:
- Early clarification of the position of the Shared Repairs Service within the new organisational structure
 - A review of Board membership to ensure that it remains effective and appropriate for the remainder of the implementation
 - Update and review of the Business Case to ensure that the newly created service remains viable given recent budget reductions
 - Ensuring that Elected Members have a full appreciation of the predicted costs of the service and the risks involved, as well as a better understanding of their own role in the assessment process
 - Re-baseline resource requirements and address gaps in the implementation team

Current highlights in the major projects portfolio

ICT & Transformation Procurement

- 3.15. The ICT & Transformation Procurement project is closed and CGI were awarded the contract to deliver ICT services to the Council from 1st April 2016. Transition works to the new ICT provider have commenced and a new ICT Transition and Transformation Programme has been mobilised to manage this. This Programme will report into the Major Projects portfolio.
- 3.16. In addition to transition there are a number of transformation activities that need to be delivered as part of this project such as the replacement of the current Oracle Financial and iTrent HR and Payroll systems. It is anticipated replacement of these systems by a fully integrated solution will be complete by late 2016.

Early Years Projects

- 3.17. The three new nursery buildings at Duddingston, Fox Covert and Wardie Primary Schools were completed on programme for the start of the new school year in August. At Fox Covert the new 3G pitch, store shed and boundary screening treatment remain to be delivered and are being progressed through discussions with the relevant statutory bodies where necessary. The demolition of the existing Duddingston nursery building is planned for the October break.
- 3.18. As previously reported in finalising contract sums for each project the market costs to deliver some of the work packages had increased however these were accommodated by utilising contingency allowances.

Leith Programme

- 3.19. The project is being progressed in a series of phases to minimise disruption to road users of Leith Walk and the local community. Construction of each phase is delivered via a stand-alone contract, which is awarded shortly before the works for that phase are due to commence. Phases 1 to 3 of the project have been successfully delivered.
- 3.20. A new tram-proofed design for Phase 4 (Pilrig St to McDonald Road) was approved by Oversight Group on 9 July. Statutory processes for necessary orders commenced 11 August, with potential construction in late spring/early summer 2016.
- 3.21. A tram-proofed design concept is currently in development for Phase 5 (McDonald Road to Elm Row), and also for Phase 6 (Elm Row to Picardy Place), including a review of the London Road junction design. Timescales for construction conflict with anticipated timescales for construction of a new transport interchange at Picardy Place as part of the St James Quarter development, and for a possible future tram extension along Leith Walk. Alternative delivery methods for Phase 6 will therefore have to be considered.
- 3.22. The original project timeline had to be revised, due to the requirement to hold a mandatory Public Hearing in September 2014 to consider certain objections that arose from the statutory processes for the section of Leith Walk to the north of Pilrig Street (Phase 2). The timescale for delivery of Phase 4 could be subject to further revision if a Public Hearing is required as part of the statutory processes necessary to implement the design. Timescales for phase 5 and 6 could also be subject to change due to project interdependencies with the potential tram extension, and the St James Quarter Development. Due to nature of these interdependencies, charges for professional fees, services and other non-construction costs have increased significantly. Agreement is therefore being reached as how best to manage these charges.
- 3.23. Discussions are ongoing with providers of third party funding, relating to current funding conditions and associated timescales for delivery, and also in achieving tram-proofed designs for Phases 4-6 by incorporating walking and cycling design standards to ensure external funding is retained.

Health and Social Care Integration

- 3.24. All integration authorities and associated delegation must be in place by 1 April 2016. The first meeting of the Edinburgh Integrated Joint Board (IJB) took place on 17 July 2015, with a development session held on 14 August 2015. The Chief Officer post was advertised on 14 August 2015 and an appointment was made in October. An Interim Chief Finance Officer (CFO) for the IJB was appointed on 24 August 2015.
- 3.25. The draft Strategic Commissioning Plan and draft Joint Strategic Needs Assessment were approved for public consultation on 17 July 2015. The consultation was launched on 3 August and will close on 31 October 2015. The first two Induction Workshops with IJB members from all four local Boards took place on 26 and 31 August 2015, with two further workshops to follow in September.
- 3.26. Due diligence is currently ongoing to establish the current budget position for both parties ahead of delegation of functions. Any new proposals which emerge from this work will need to be included within the Strategic Plan/Financial Plan and associated implementation/ delivery plan

Kerbside Recycling

- 3.27. Throughout June, 40 000 households were transferred over to the new service, with the first four of five rollout phases now complete (100,000 of 140,000 households). Phase five, to the final 40,000 householders, is scheduled for September. A new sixth phase has been planned to facilitate the removal of red and blue recycling boxes from service, and instead upgrade the on-street recycling provision, though this is made more challenging by the retention of a box service within the 'modernising waste' area (predominantly the New Town). The project is now under extreme pressure to deliver the various workstreams by 1 December.
- 3.28. Palm Recycling are managing the service transition period (September 2014 – November 2015) from the existing to the new service. From 1st November 2015 the recycling collection service will be brought in house and Palm/FMG staff will TUPE to City of Edinburgh Council. TUPE meetings involving FMG/Palm employees have been undertaken.

Fleet Review

- 3.29. Delivery of £1.3M in savings attributed to the programme is at risk of falling £400,000 short due to late procurement of vehicles. The delays have been due to officers ensuring that procurement decisions are being informed by more recent developments in the Transformation Programme, and a wish to avoid committing to expenditure where structural re-design may mean that vehicles are no longer required. Work is ongoing to mitigate the deficit. The mitigation is proving to be successful, as the Fleet Services budget is forecast to break even for the 2015/16 financial year. An Assurance Review health-check is currently scheduled for late October.

Additional Consultancy Support

- 3.30. 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.
- 3.31. The CPO is providing project and consultancy support in the following areas:
- development and management of the Transformation programme;
 - resource to deliver the Connected Capital programme;
 - project management support for the Health and Social Care projects of Community Justice, and Care at Home;
 - specific resource to Organisational Development, Commercial Excellence programmes and Business Intelligence;
 - support for the ICT Transition project
- 3.32 The staffing compliment in the CPO has reduced significantly in recent months, meaning it is difficult to provide direct support to new projects although advice and guidance is readily available. It is anticipated that once the new arrangements for Business Support are in place this will improve capacity for project support and assurance.

Measures of success

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

Financial impact

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

Risk, policy, compliance and governance impact

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

Equalities impact

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

Sustainability impact

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

Consultation and engagement

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

Background reading / external references

[Governance of Major Projects](#) – Finance and Resource Committee, 27 August 2015

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

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Links

Coalition pledges

P03 - Rebuild Portobello High School and continue progress on all other planned school developments, while providing adequate

investment in the fabric of all schools

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

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

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

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

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

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

P44 - Prioritise keeping our streets clean and attractive

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

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

P51 - Investigate the possible introduction of low emission zones

P53 - Encourage the development of Community Energy Co-operatives

Council outcomes

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

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

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

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

Single Outcome Agreement

All

Appendices

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

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP2	Connected Capital	<p>BDUK funding has been allocated to a number of projects within this programme including;</p> <ul style="list-style-type: none"> - Voucher scheme – to assist with broadband connectivity charges for SMEs. 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. £1.25m has been awarded to 1,140 businesses across Scotland (£435,000 has gone to 515 businesses in Edinburgh, Lothians, Fife and Borders). - Public Building WiFi – 56 of 70 buildings are now live (with 5 operating under throttled capacity). Delays on the remaining buildings are being experienced due to BT Open Reach. The final go live dates of some sites are being estimated as December 2015. - Wireless Concession – Contract discussions with the preferred bidder are now progressing towards finalisation and options for a way forward are being addressed. Detailed design now completed. - Transport WiFi – WiFi deployment across the Edinburgh Tram and Lothian Buses fleet was completed in Dec 2014. These services now also benefit from the delivery of a content management solution (CMS) to enhance the user experience further. The CMS provides infotainment channels to passengers using the on board WiFi. 	<p>Overall Programme delivery deadline of March 2015 has now been revised. Some flexibility has been agreed with BDUK that will allow funding availability for wireless concession to be available up to September 2015.</p> <p>There is a dependency on BT Openreach to deliver components of the Public Buildings WiFi and a risk that slippage may occur as a result.</p>	Spend within budget.	<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>Transport Wi-Fi – Let's Join Content Management System has now been implemented (Sept). There has been impressive usage with a four fold increase in user sessions.</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>	<p>Risk: Amber</p> <p>BT Openreach delivering to the schedule agreed for enabling outstanding Public Building WiFi,</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP8	James Gillespie's Campus	The teaching block is complete and occupied by the school. Construction of the performance and sports blocks is progressing well with the steel erection, concrete to floor slabs, drainage and retaining walls all being undertaken in this reporting period. Bruntsfield House summer 2015 works were completed within programme.	Phase 1 (teaching block) and Secondary School decant complete. Phase 2 (performance and Sports blocks) completion scheduled for August 2016 - on programme.	The project is operating within the approved budget. Any changes required have been accommodated from contingency.	Teaching block visits from interested parties have been accommodated with positive comments received.		Risk : Green
MP10	National Housing Trust	NHT Phase 1 - 422 new affordable homes complete and tenanted – This project is now closed and housing management taking forward as 'business as usual'. Phase 2: The Council has entered into contracts with FP Newhaven Two Ltd. Construction started in Nov 2014. 96 homes will be completed over 6 phases with completion scheduled for Dec 2016. Phase 3. The Council will now enter into a contract to establish four new limited liability partnerships with developers and Scottish Futures Trust to deliver up to 413 affordable homes. The first contract signing for 80 homes at Fruitmarket, Chesser was due to start on site late August 2015. Contract signing is now scheduled for September and October 2015 respectively for FP Newhaven Two, and Shrubhill (planning application approved 17 June 2015). Contract review, involving legal advisors, is being undertaken in the interim.	On time.	The City of Edinburgh Council on 12 Feb 2015 approved borrowing for phase 3 of up to £54. 998m. Forecast to complete within budget.	November 2014 Assurance Review completed with status of Green.	Provision of affordable housing. Neighbourhood regeneration and creation of jobs and training opportunities.	Risk: Green
MP11	21st Century Homes	Gracemount: development complete and all properties let.	Programme progress within target timescale.	Within budget	Greendykes was a runner up at the Homes for Scotland	Community Benefits	Risk: Green

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>Greendykes C: development complete and all properties let. West Pilton Crescent: development complete and all properties let.</p> <p>Final homes handed over on 20 October 2014. All properties have been let.</p> <p>Pennywell: works started on phase 1 (108 Council and 85 Private homes) on 23 June 2014. Handover of the first Council homes anticipated end August 2015. Delivery progressing well. As of 20 August 19 owners moved into homes for sale.</p> <p>North Sighthill: Design work instructed to enable an Approval of Matters specified by conditions (AMC) application to be submitted to planning in summer 2015. OJEU notice placed on 30 March 2015 and PQQs were invited and evaluated. Tenders will be invited based on AMC approval at the October 2015 F&R Committee.</p> <p>Leith Fort: Tenders approved at F & R in June and contract has been awarded following a standstill period. Site start anticipated to commence by late 2015.</p> <p>Small Sites Project: 7 additional sites, tenure mix and energy strategy are to be reported to the Political Sounding Board in September. A delivery plan is being developed with the Council's procurement team.</p>	<p>Only minor change in the period is the awaited approval of matters specified in conditions for North Sighthill, as the consultation period was extended on behalf of the community.</p>		<p>awards in the Best Partnership in Affordable Housing Delivery category.</p> <p>West Pilton Crescent won Saltire Awards for Multiple Housing Development, and Landscape in Housing.</p>	<p>including employment and training opportunities.</p> <p>Increasing affordable housing supply across the city.</p> <p>Providing support to the economy and construction industry.</p>	

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
MP12	New Boroughmuir High School	<p>The contractor has reported that they are currently on schedule to deliver in accordance with the revised programme which was amended due to delays with piling foundation operations (as previously reported). Progress is monitored weekly through a review of the programme and at monthly Principal's meetings.</p> <p>The concrete stair cores to the north (Dundee Street end) of the building are now complete. The contractor continues to progress with the ground floor slab in a southward direction (towpath end).</p>	Due to the significant slippage experienced, the revised completion date is 23 September 2016, with the move to the new school anticipated during the October 2016 break.	The project is operating within the approved budget. Any changes required have been accommodated from contingency.	The park is nearing completion for handover which will be several months earlier than contract completion date.		<p>Risk: Green</p> <p>Building stage warrants received since the previous reporting period.</p>
MP13	New Portobello High School	<p>Balfour Beatty (BB) have continued with steady progress on the fabric and structure of the building however the M&E services installation has not progressed as positively. Whilst no concerns were raised by BB when change orders were previously instructed, it appears that BB is experiencing some difficulty with the M&E installation programme and the extent of this is currently being assessed with BB and the project team working to resolve any issues.</p> <p>The critical objectives for the project are that the new school is complete and opened for the start of the 2016/17 school year and that the existing school is vacated before the summer 2016 holiday to allow the demolition to be progressed in advance of the construction of the new St John's RC Primary School starting.</p>	The current contract completion date, taking into account the approved extension of time, is 10 June 2016; a change of one day from the previously intimated date due to there being a public holiday during the period of extension.	The project is operating within the approved budget. Any changes required have been accommodated from contingency.	<p>BB have a communications structure in place to deal with client, and public, matters. They are proactively engaging with neighbours in response to queries. BB also issue progress newsletters to update/inform local residents and continue to work with, the school in terms of engagement and opportunities, Edinburgh Leisure regarding the Golf Course and, Services For Communities regarding park maintenance.</p> <p>Currently the likely BREEAM score is above that required to secure Very Good. The</p>		<p>Risk: Green</p> <p>Status remains green in the interim period pending the outcome of the contract slippage review, linked to the M&E installation programme.</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		A 'Decant' working group has been established to plan and manage the overlap and interfaces between the delivery of the new school and existing school closure.			BREEAM advisor (AECOM) and cost consultants (G&T) are compiling a schedule of options/costs to determine if it would be possible for the project to achieve Excellent.		
MP29	Water of Leith, Flood Prevention Scheme Phase 2	Procurement of the Water of Leith FPS Phase 2 is nearing completion and a preferred bidder has been identified following the quality and price evaluation. It is expected that the contract will be awarded in November 2015, subject to F&R Committee approval on 29 October 2015. The expected start date of the contract is 7 December 2015. Arrangements are in hand for the advance utility works contracts and the SGN gas main diversion works commenced on 14 September 2015.	Programme progress is within target timescales. The target date for award of the main works contract of November 2015 remains unchanged. Programmes from the three tenderers have been received/reviewed.	The lowest tender with an acceptable quality submission is within the budget cost.	Assurance Reviews have been included in the programme plan at scheme definition (Sept 2014) and prior to award of contract (Nov 2015), with the recent pre-contact award review finding that the overall project status is Green - delivery highly likely. Ongoing stakeholder engagement activities have raised no significant issues.	Protect 492 residential & commercial properties. Reduce dependency on temporary flood defences. Provide enhanced access to the riverside. Improve quality of life for residents affected by flooding.	Risk: Green Progress in the period in the risk areas of tendering, contract, and utility diversions. An interim PM is in place and a construction PM is being progressed.
MP22	Zero Waste: Edinburgh and Midlothian	Food waste project - discussions are ongoing with the contractor (Alauna Renewable Energy - ARE) with a view to the Partner Councils providing food waste for the commissioning period expected to commence Oct 2015. Provision of access road, bridge and utilities	The food waste transition project remains confident that service commencement date of 31 Dec 2015 will be met and that the other dependencies, e.g. access	Current forecast indicates project will come in or below budget. However the capital budget is still under some pressure as construction	An assurance review undertaken in December 2014 assessed the programme as Amber- Green (delivery probable). Further Assurance Review currently being scheduled.	Benefits Realisation Plan remains under construction	Risk: Green Planning risks are of a low likelihood but carry very severe impacts should they

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		<p>directly by the Councils remains within programme tolerances (despite Borders Railway construction issues).</p> <p>Provision of electricity and communications services although delayed beyond the contractual delivery date of 31 May 2015 are now complete, with it understood that ARE absorbed the delay without loss.</p> <p>The contractual deadline for delivery of potable water was met. Water pipe laying work completion expected in August.</p> <p>Residual waste project - FCC Medio Ambiente SA (FCC), the preferred bidder, lodged a planning application with Midlothian Council (March 2015), which was not to be determined until August 2015. The final tender price is held until October 2015, but the project team is now reviewing the target date for financial close to take account of Judicial Review Risk.</p>	<p>road, utilities and bridge work remain within the programme tolerances.</p> <p>The residual waste project remains within target timescales.</p>	<p>progresses particularly due to a £300K compensation claim by Scottish Water Horizons which is being vigorously challenged.</p> <p>As previously highlighted, by entering into the residual waste treatment contract the Council will be liable for legacy payments of ~£10.3M under the existing landfill contract until 2020.</p> <p>Work is ongoing to mitigate the financial impact.</p>			<p>materialise.</p> <p>Substantial mitigation strategies agreed by the Project Board are in place.</p>
MP24	Leith Programme	<p>Phase 1 -3 Construction Work completed.</p> <p>Phase 4 (Leith Walk – Pilrig Street to McDonald Road). New “tram proofed” design, approved by Oversight Group on 9 July. Statutory processes for necessary orders commenced 11 August, with potential construction in late spring/early summer 2016.</p> <p>Phase 5 (McDonald Road to Elm Row) Tram proofed design concept likely to also be applied to Phase 5. Design in development.</p>	<p>The timescale for delivery of Phase 4 could be subject to further revision if a Public Hearing is required as part of the statutory processes necessary to implement the design. Timescales for phase 5 and 6 could also be subject to change due</p>	<p>Budget provision for professional fees, services and other non-construction costs has been reviewed due to the high interdependency between the Leith Programme, a possible future tram extension, and the St</p>	<p>“Tram proofed” designs for Phases 4-6 work ongoing to achieve standards required to retain third party funding by involving representatives of external funding providers.</p>	<p>Increase in cyclists using Leith Walk.</p> <p>Improved cycle pedestrian & businesses env.</p> <p>Increased levels of satisfaction within the local</p>	<p>Risk: Amber</p> <p>Due to possible unfunded component and slippage to plan outwith tolerances.</p>

Ref	Appendix 1	Overall	Time	Cost	Quality	Benefits	Risk (reputational / deliverability)
		Phase 6 (Elm Row to Picardy Place) Concept design under development, including review of London Road junction design. Timescale for construction conflicts with anticipated timescale for construction of a new transport interchange at Picardy Place as part of Edinburgh St James development proposal and for a possible future tram extension along Leith Walk. Alternative delivery methods for this Phase will therefore have to be considered.	to interdependencies with a possible future tram extension on Leith Walk, and the St James Quarter redevelopment. Discussions ongoing with providers of third party funding on current funding conditions relating to timescales for delivery.	James development proposal. Options for addressing for containing these costs are reviewed by the Project Board on an on-going basis and the situation continues to be managed.		Community. Fewer claims/complaints-trips & potholes. Enforcement of parking/loading restrictions.	
MP25	Forth Replacement Crossing	Construction of the U221 road now complete. Widening of Society Road complete. Non destructive testing to be carried out, with an anticipated completion of August 2015. Realignment of the A904 now complete and open to traffic. Installation of new traffic signals for new roundabout is complete. Soft landscaping works continue. B800 bridge construction works complete. The demolition programme for the existing bridge deck is currently being discussed through the Traffic Management Working Group (Transport Scotland & CEC). Proposed demolition over a weekend at end September/early October, requiring a full closure of the A90 (Saturday lunch until Monday am). Detailed programme still to be agreed.	As Transport Scotland (TS) is the lead agency, CEC has no influence on delivery timescales. However the project continues to be on time and under budget with a forecasted completion of Autumn 2016.	As TS is the lead agency no budget information reported.	TS and CEC have not agreed the official inspection and handover process. Work in progress with Transport Scotland to define adoption extents, clarify handover, and quality assurance processes. Establishment of a Memorandum of Understanding underway with TS.	Enhance transportation links locally and nationally.	Risk: Amber
MP28	H&SC Integration	The first meeting of the Edinburgh Integrated Joint Board (IJB) took place on 17 July 2015, with a development session held on 14 August	All integration authorities and associated delegation must be in	In May 2014, the Scottish Government	The IJB has requested information on establishing an Audit and Risk Committee.	High level benefits	Risk: Amber Pending new

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		<p>2015. The Chief Officer post was advertised on 14 August 2015 and Interviews are to be held on 5 and 6 October 2015. An Interim Chief Finance Officer (CFO) for the EIJB was appointed on 24 August 2015.</p> <p>The draft Strategic Commissioning Plan and draft Joint Strategic Needs Assessment were approved for public consultation on 17 July 2015. The consultation was launched on 3 August and will close on 31 October 2015. The first two Induction Workshops with IJB members from all four local Boards took place on 26 and 31 August 2015, with two further workshops to follow in September.</p> <p>The draft Performance Framework, and the draft Risk Framework were two from a series of reports approved by the EIJB on 17 July 15. Discussion is ongoing to consider interim and long term performance management arrangements.</p>	<p>place by 1 April 2016.</p> <p>This is the date that the Scottish Ministers intend to prescribe as the date by which all functions must be delegated to NHS Lothian and the Council. All the integration arrangements as set out in the Act, Orders and Regulations, must be in place and responsibility for the functions delegated.</p>	<p>allocated £615,000 transition funding to the Edinburgh City Partnership. This funding was for 2014/15.</p> <p>Due diligence has commenced involving Internal Audit, with financial assurance undertaken for CEC, NHS Lothian and the new Integrated Joint Board. Reporting due in September.</p>	<p>The June 2015 CPO Health Check provided H&SC with an Amber Green status, with recommendations highlighting, for example, the need to update the Business Case at all key stages i.e. prior to the formation of the IJB, when revising the Strategic Plan, and again prior to the delegation of functions.</p>	<p>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.</p>	<p>appointments interim cover arrangements leave a risk of discontinuity of approach.</p> <p>The status of some of the top risks have improved since the last reporting period, notably the appointment of an Interim CFO, and set-aside fund progress.</p>
MP30	Recycling Service Project	<p>Throughout June, 40 000 households were transferred over to the new service, with the first four of five rollout phases now complete, i.e. 100K out of 140K households. Phase four routes have bedded in with no major issues.</p> <p>A sixth phase is presently being planned to facilitate the removal of red and blue recycling boxes from service, though this service must be retained within the 'modernising waste' area (predominantly the New Town -outside scope of original project). Palm Recycling will manage the transition period (September 2014 – November 2015) from the existing to the</p>	<p>Phases 1-4 complete. Phase 5 in September 2015 to 40K households.</p> <p>The aim of phase 6 is to upgrade the street recycling provision to replicate the kerbside collection service, so as enabling the removal of the red/blue box service.</p> <p>Extreme pressure to</p>	<p>The Recycling Redesign cost centre is currently in line with the budget at the end of July, though there are emerging risks that may put pressure on the waste collection budget; such as the provision of the new recycling service to 25,000 Edinburgh tenements that</p>	<p>Prior to the introduction of the new service landfill kg per household per week was 6.5kg, whilst it is now averaging close to 5kg.</p>	<p>Review of project benefits, via a Benefits realisation workshop on 18 August 2015.</p>	<p>Risk: Amber</p> <p>Due to risks arising as a result of the project trying to address by 1 December 2015 the out-of-scope areas of box removal to 25, 000 households,</p>

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		new service. From 1st November 2015 the recycling collection service will be brought in house and Palm/FMG staff will TUPE to City of Edinburgh Council. TUPE meetings involving FMG/Palm employees were held during the reporting period.	deliver these two workstreams by 30 November, whilst simultaneously rolling out Phase 5 to 40,000 householders.	currently have access to the current recycling service. Remodelling of budget required to reflect additional resources required for additional servicing of Route 17, and 'modernising waste' area, as additional vehicles /staff may be required to provide these services resulting in additional costs.			and the modernising waste area. Changes affect circa 39, 000 householders across the city in some of especially challenging areas.
MP31	Fleet Review	<p>The project team has been working with Ernst & Young (EY) to ensure alignment with the Council Transformation Programme. EY will be working with the service to determine all initiatives that have been carried out to date and quantify the savings achieved.</p> <p>Car and van procurement is complete with the first tranche, around 60% of the vehicles, delivered. Order placed for 17 replacement refuse collection vehicles, with 15 of the vehicles to be delivered prior to October/November 2015.</p> <p>Food Waste vehicles approved by Procurement board, with specification and procurement plan being developed.</p> <p>Fleet Management restructuring completed in</p>	<p>Car and Van delivery completion moved back from June to November, in-part due to slow uptake by user departments, and selection of wrong options by user departments.</p> <p>Introduction of a new procurement panel will potentially cause further delays in the renewal process which could impact upon the ability to achieve targeted yearly savings.</p>	Capital Budget on target.	<p>An Assurance Review health-check is currently scheduled for late October.</p> <p>In order to mitigate the risk to service provision associated with delays to the procurement of welfare vehicles, a process is proposed to prioritise vehicles for servicing/maintenance, with consideration also given to hiring vehicles in the interim.</p>	<p>Delivery of £1.3M benefits likely to be £400k short due to late procurement of cars and vans. Work ongoing to mitigate the deficit.</p> <p>Reduction in number of vehicles and carbon footprint.</p> <p>Improved</p>	<p>Risk: Amber</p> <p>Procurement delays risk ability to achieve savings target</p>

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		the reporting period, though a key issue is the loss of the Programme Manager at a critical point.				service delivery from more reliable fleet with manufacturer's warranty of four and five years.	
MP32	Programme Momentum (previously Property Conservation / Shared Repairs)	<p>Programme Momentum has completed 14 months and is currently on schedule and key risks and issues are being managed via the Programme Board. The settlement process is progressing well and is on target to finish in the autumn. Good progress is being made with debt recovery under the extended Morton Fraser contract. The legal workstream continues to escalate as more debt recovery cases are pursued by the Council. Preparations are underway for the new service pilot which commences on 1 September 2015. Customer enquiries and FOI requests are also increasing.</p> <p>Focus continues on preparation for the Pilot phase: procedure manuals in final draft, training for customer contact, intervention, enforcement and financial services.</p> <p>The draft Governance, Policy and Performance framework was noted by the Programme Board on 10 August.</p>	Programme is currently progressing to schedule.	<p>Budget provision is a key risk following the saving of £0.5m requested for 2016/17.</p> <p>Recruitment and ICT profiles changed to suit the new reduced budget. Updated costed business plan to be prepared for presentation to the Programme Board in October.</p>	A recent Assurance Review gave Programme Momentum an Amber-Green status: delivery probable. Main areas of concern centred on the budget allocation for the new service, the continuing validity of the Business Case, the impact of recent changes in the Project team and resulting gaps in resource, issues with recruitment of technical staff, and the need to ensure Elected Members have a clear understanding of the costs of the new service and the limitations of their role within it.	<p>Reduce outstanding debt and billing of completed work.</p> <p>Resolve all complex and deferred complaints.</p>	<p>Risk: Amber</p> <p>Reputational and ability to realise full debt.</p>
MP33	Edinburgh St James	The Compulsory Purchase Order (CPO) inquiry is to run from 24 September to 1 October, which is later than the Developer (TIAA	The over-run of the CPO inquiry has had a knock on effect to the	Contractual arrangements have been structured to	Key dependencies are now partly owned by a representative from the	Redevelopment of an area at east end of	<p>Risk: Amber</p> <p>Although the Council has</p>

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		<p>Henderson) had programmed. Work is underway by the Developer to assess the overall impact to the programme.</p> <p>The Growth Accelerator Model (GAM) Agreement is between the Scottish Government and the Council, and separately between the Council and TIAA Henderson.</p> <p>The SG Agreement, based on the December 2014 draft/revised Heads of Terms, is progressing well. This Agreement's final and full terms are targeted to be complete by 16 October 2015 and will be reported to full Council on 19 November, seeking authorisation to commit to the Agreement.</p> <p>The report will also incorporate the outcomes from a close-out meeting involving Scottish Futures Trust and the Scottish Government on 29 September 2015 to conclude governance, reporting, programme and control procedures over the life of the GAM. This same report will also provide an update on the satisfactory progress with the TIAA Henderson agreement.</p>	commencement of works on site, with reports delaying the start to February 2016.	<p>minimise financial risk to CEC.</p> <p>Council costs are being invoiced and paid for by the Developer.</p>	dependent projects i.e. the Leith Programme, and the potential Tram Extension	Princes Street creating 42,500m2 of high-quality retail space, deliver 2,300m2 of grade A office space, a 210-bedroom five-star hotel, a 152-bedroom four-star hotel, a 55-bedroom apart-hotel, a theatre, restaurants and 138 residential units.	fulfilled its responsibilities on this project, the requirement for the developer to delay construction to allow for the CPO could have an adverse reputational impact for the city.
MP34	ICT Transition & Transformation Programme	Following contract signature with CGI at the end of August 2015 transition and transformation activities are now underway. A Programme team have recently been mobilised to manage the transition from BT to CGI and a project has commenced to migrate to UNIT4 Business Works, replacing the current Oracle and iTrent, Finance and HR systems.	Transition to a new ICT provider by 1st April 2016.		An Assurance review will be undertaken of the transition and transformation programme in early 2016.	<p>£6m saving on target against £26.2m core spend</p> <p>The project will further develop their approach</p>	Risk: Amber Strong commercial management needs to be in place to ensure the

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						to delivering these savings.	best results are delivered for the Council in line with the agreed contract.
MP35	Early Years Projects	<p>These are three distinct and separate projects.</p> <p>The three new nursery buildings at Duddingston, Fox Covert and Wardie Primary Schools were completed on programme for the start of the new school year in August and have been very positively received. At Fox Covert the new 3G pitch, store shed and boundary screening treatment remain to be delivered and are being progressed through discussions with the relevant statutory bodies where necessary. The demolition of the existing Duddingston nursery building is planned for the October break.</p>	All new buildings were delivered on programme.	As previously reported in finalising contract sums for each project the market costs to deliver some of the work packages had increased however these were accommodated by utilising contingency allowances.	<p>The registration by the Care Inspectorate is in place for all three nurseries.</p> <p>The project team is overseeing Hub South East Scotland Limited and Morrison Construction Limited (contractor) in resolving outstanding snagging.</p>		Risk: Green