



**Report to: Policy and Resources Committee, 9<sup>th</sup> February 2021**

**Report of: Deputy Director - Governance**

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**Subject: GOVERNANCE ARRANGEMENTS FOR DELIVERY OF MAJOR PROGRAMMES**

**1. Recommendation**

**That the Committee:**

- 1.1 Approves the governance arrangements for the delivery of the Council's major programmes, set out in section 3 of this report; and**
- 1.2 Delegates authority to the Managing Director and Deputy Director - Governance in consultation with the Chair and Vice Chairs of Policy and Resources Committee to approve the terms of reference of the Major Programmes Member Reference Group.**

**2. Background**

- 2.1 The Council has entered a delivery phase of major programmes of investment in the city. These programmes have been considered by Committee at its previous meetings; in summary the Council has been successful in securing £3m funding from Government for the Arches project and £17.939m through the Future High Streets Fund. The Council has now submitted its Town Investment Plan to Government, bidding for £27.9m. The Council is also delivering a redevelopment for the former Sansome Walk swimming pool site which has secured grant funding from One Public Estate. Taking account of match funding, the overall value of these programmes is more than twice the Government funding, for which the Council is the accountable body, responsible for achievement of a wide ranging but detailed set of outcomes. This represents a scale of delivery which is transformational for the city and unprecedented for the Council.
- 2.2 The quality of the Council's work in preparing viable bid submissions and delivery strategies has already been recognised in the success achieved to date in securing funding and in some programmes, commencing delivery. However, it is important to acknowledge the impact of these major initiatives on the Council's capacity and resources; day to day Council service delivery must be sustained, alongside Covid response work and with a challenge to deliver revenue savings under the Council's Medium Term Financial Plan. There are additional factors to consider. In some instances, the Council will be acting as accountable body for external funding streams which it must then defray and manage with other delivery partners in the city. Also, it is possible that funding opportunities for further major programmes may become available.

- 2.3 This report sets out the overall governance arrangements for major programme delivery by the Council which are proposed to ensure:
- (a) there is an appropriate level of Member oversight and scrutiny of the delivery of these programmes;
  - (b) risks, budgets, delivery plans, programme milestones and interdependencies are monitored and managed;
  - (c) decision-making is timely and informed;
  - (d) lines of accountability are clear within the Council and with external partners;
  - (e) communications with external stakeholders are effective;
  - (f) assurance can be given to external funders including HM Government that programmes are managed effectively so that outputs can be met;
  - (g) delivery of projects takes sufficient account of overarching Council corporate priorities including sustainability, economic and community recovery, equality, diversity and inclusion.
- 2.4 In identifying suitable governance arrangements, reference has been made to the Council's Constitution and in particular the Committee system of decision-making. The programme management level arrangements are based on the current methodology adopted by the Council and previously scrutinised by the Audit & Governance Committee in December 2019.
- 2.5 Governance arrangements must also be compatible with the requirements of external funders. For example, the Arts Council on behalf of Department of Culture, Media and Sport has scrutinised the partnership and delivery agreements through which the Council has contracted with other partner organisations in the city. Governance requirements in the Towns Fund programme include an ongoing role for the Town Deal Board and the submission of detailed business cases through a HM Treasury Green Book process with scrutiny from independent advisers. Governance requirements for Future High Streets Fund, where the Council's detailed businesses cases have already been accepted, include regular reporting against financial profiles and risk registers.
- 2.6 The proposed governance arrangements are intended to supplement and enhance, rather than alter, any arrangements set out in the Council's Constitution. No changes of function or delegations are proposed. For the purposes of these arrangements it is proposed that a major programme is defined as any programme of capital investment exceeding £3m; this financial threshold is reflective of the current programmes in delivery but it could be reviewed should the Committee determine that to be appropriate for a future programme.

### **3. Preferred Option**

- 3.1 The preferred option is described in this section. It attempts to provide a framework to ensure agile and timely decision-making at Committee level while also recognising the cross-cutting nature of the projects within these major programmes and the interdependencies between many of the projects and the Council's other strategic priorities and statutory functions.
- 3.2 A simple schematic diagram is shown at **Appendix 1**. Additional programmes, or projects/workstreams within them, could be added in at a subsequent date.

- 3.3 The Policy & Resources Committee will act as the primary decision-making body for all decisions under these major programmes which require a policy decision of the Council, excepting those matters which, under the Constitution, require referral to full Council.
- 3.4 The Council's Communities Committee and Environment Committee will support the governance of the major programmes through a role of scrutiny and challenge, ensuring that overarching corporate priorities can be demonstrated and measured in the design and delivery of the projects within the programmes. These agreed corporate priorities include Covid recovery, environmental sustainability and equality, diversity and inclusion.
- 3.5 A new Member Reference Group will be established, comprising the Chairs and Vice Chairs of Policy & Resources, Communities and Environment Committees, to oversee the referral of matters for decision to the Policy & Resources Committee and the implementation of those decisions. The Group will receive programme highlight reports, identifying by exception risks and issues for escalation, as well as identifying policy implications for referral to Committee for decision-making.
- 3.6 The Sub-Committees of Policy & Resources Committee will support the Policy & Resources Committee in their usual remit, undertaking work referred by the Committee to inform the decision-making process.
- 3.7 The Council's regulatory committees will continue to perform their usual statutory functions as regards any matters within the scope of the programmes: for example, determination of planning applications or licensing applications. Agenda items for Council projects at regulatory committees will be managed in accordance with the existing governance protocols to ensure decision-making is appropriately separated from the Council's policy-making functions.
- 3.8 At the level of implementation, the programmes will be managed by programme delivery boards, each chaired by a member of the Council's chief officer leadership team. Each programme delivery board will be supported with appropriate levels of contribution from Council officers and external advisers to ensure effective delivery, as well as representation as appropriate for specific items from external stakeholders in the city and the Council's contracted delivery partners.
- 3.9 The significant number of other organisations interested in the projects within these programmes necessitates a meaningful and ongoing process of stakeholder engagement. This is separate to the specific legal and funding agreements that the Council puts in place to secure the delivery of specific projects/workstreams by partner organisations in the city. The Town Deal Board and the Arches (Cultural Development Fund) Steering Group will both continue to oversee, from the stakeholders' perspective, the delivery of the Town Investment Plan and the Arches Project respectively. A further stakeholder group may be required for Future High Streets Fund, particularly focussed on the creative industries and potential end users. This will be scoped further as part of the work of the Future High Streets Fund programme board.

#### **4. Alternative Options Considered**

- 4.1 There are a number of alternative governance arrangements that could be put in place for the management of major programmes. These could involve changes to the Council's scheme of delegation or Committee functions. These are not recommended

because the Council has successfully embedded its Committee system of governance and also because the work programme of all the Committees has to discharge the key statutory functions of the Council and monitor the effectiveness of its day to day service delivery.

- 4.2 The arrangements proposed in this report can be reviewed and adjusted should improvements be required.

## **5. Implications**

### 5.1 Financial and Budgetary Implications

There are no financial and budgetary implications arising from the proposed governance arrangements.

### 5.2 Legal and Governance Implications

The governance implications are explained above. There are no legal implications arising.

### 5.3 Risk Implications

The proposed governance arrangements are intended to support the risk management of the major programmes and the projects within them, providing mechanisms for decisions to be made on a timely and informed basis and for risks to be identified, reported, mitigated and managed.

### 5.4 Corporate/Policy Implications

The proposed arrangements are intended to design the Council's overarching corporate priorities and policies into the delivery of programmes, the specific projects within the programmes and their outcomes, with the Communities Committee and the Environment Committee given a specific scrutiny remit in this regard.

### 5.5 Equality Implications

There are no specific equality implications arising from this report; the proposals are intended to ensure that equality diversity and inclusion is central to the design and delivery of projects within the programmes.

### 5.6 Human Resources Implications

The programme management arrangements will require sufficient resourcing to ensure that meetings and work programmes are effectively supported and matters can be progressed. There is some provision for programme management support and expert advisers within the Council's successful bids for external funding. If any further resourcing is required which has an impact on the Council's revenue base budget then this would be referred to Committee for approval.

### 5.7 Health and Safety Implications

There are no health and safety implications arising from this report.

## 5.8 Social, Environmental and Economic Implications

The major programmes and the specific projects and workstreams within them have the potential to have transformational social, environmental and economic impact. The external funding requires the Council to deliver and report on a number of specific outcomes in this regard. The governance arrangements proposed in this report are intended to create the best possible conditions for these impacts and outcomes to be achieved.

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**Background Papers:** **None**