West Lindsey
District Council
The Entrepreneurial Council

Subject: Elswitha Quarter – Response to Internal Audit Recommendations

Report by	Chief Operating Officer
Contact Officer:	Alex Reeks
Purpose / Summary:	To report the work of the Challenge and Improvement Committee working group around the Elswitha Quarter SMART action plan and progress around the other actions set out in recommendation 2 of the report to Special Audit and Governance Committee held on 22 October 2013.

RECOMMENDATION(S):
1.That the SMART action plan set out at appendix is considered and approved by the Committee as meeting the requirements of recommendation 2 of the report of the 22 October 2013.

2.That the Committee agree to consider the SMART action plan on quarterly basis for the next 12 months or until such a time as it considers the actions set out in its resolution of 22nd October 2013 are completed.

3.That the guidance notes set out appendix are noted as evidence that the actions in the SMART action plan are being addressed.

IMPLICATIONS

Legal: The SMART action plan, the actions it contains and the associated guidance notes will ensure, if applied correctly, that the Council has the appropriate guidance to ensure that the legal risks to the Council around the development and implementation of projects are minimised.

Financial : FIN/102/14

None – changes to internal operating procedures

Staffing : None.

Equality and Diversity including Human Rights :

None

Risk Assessment : The actions contained within the action plan and the associated guidance notes will ensure that the legal, procurement and other risks around project development and delivery are minimised.

Climate Related Risks and Opportunities : None

Title and Location of any Background Papers used in the preparation of this report:

Internal Audit Report – Elswitha Quarter Development , 22nd October 2013

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman) **Yes** [ ] **No** [/]

Key Decision:

A matter which affects two or more wards, or has significant financial implications **Yes** [ ] **No** [/]

Introduction

The Elswitha Audit report dates from a period that started in September 2010 and ended with the outcome of the judicial review in January 2013.

In that time the Council has been through a number of changes that have started to address the principal issues set out in the report.

It is clear to see that the procedures and process now operating within the Council around project management, investment and procurement are very different to those which were in place in 2010 (when the original Elswitha Project was started), 2011 (when the original procurement exercise was begun) and in 2012 (when the Committees approved the project).

Issues around member behaviour are also being addressed through improved training and advice, led by the Monitoring Officer.

These improvements are reflected in the action plan and guidance notes attached to this report. The action plan also details the evidence which demonstrates completion of the actions.

The Report

1. On 22nd October 2013 a special meeting of the Audit and Governance Committee considered a report into the development and delivery of the Elswitha Quarter Development in Gainsborough.

2. The Committee resolved:
   a. The content of the report and the recommendations on the Council's Governance Risk and Internal Control environment be considered and noted;
   b. The internal audit report be **REFERRED** to the Challenge and Improvement Committee in order to:-
      i. Establish a Cross – Party Working Group to develop a smart action plan to address the recommendations set out in the report and those of the Governance and Audit Committee, as expressed throughout the course of debate;
      ii. Monitor the delivery of the action plan by receiving quarterly reports on the implementation of its actions;
      iii. Obtain assurance and evidence that the Governance framework, systems and processes for the development of the key projects has been strengthened;
      iv. Obtain assurance and evidence that these have been complied with on current developments and key projects; and
      v. A report be received back from the Challenge and Improvement Committee in the future on progress with regard to the actions set out in recommendation b i-iv above.

3. A working group nominated by the Challenge and Improvement Committee was set up comprised of:
    a. Cllr Nigel Bowler
    b. Cllr David Dobbie
    c. Cllr Mick Tinker
    d. Cllr Paul Howitt-Cowan
    e. Cllr Alan Caine
    f. Cllr Roger Patterson

4. The terms of reference for the group were taken from the resolution of the Audit and Governance Committee of 22nd October 2013, set out above.

5. The working group has met twice: 16 January 2014 and 4 February 2014.

6. At its first meeting it considered a draft SMART action plan which contained the actions which needed to be taken as a result of the audit, the actions (or proposed actions), those responsible for implementing the action, the evidence that the action has been completed and the date when (or by when) it would be completed. The members of the group added to and expanded on this action plan and asked for other actions to be included.

7. At the second meeting of the group it considered a revised SMART action plan and a series of guidance notes which detailed procedures to be followed around: Project Management (as part of the revised terms of reference for the Commercial Board); Procurement; Project Management Roles and Responsibilities and Stakeholder Management. All areas which were the subject of a recommendation in the original Internal Audit report. The SMART action plan and the draft guidance notes are attached as appendix.

8. At the February meeting of the group it agreed that the SMART action plan and the guidance notes should be submitted to the special Audit and Governance Committee on 27 February 2014 as demonstrating that the actions required as part of the resolution of the Committee on 22nd October 2013 had been completed or were in the process of being addressed.

9. The working group also agreed that the SMART action plan should be considered by the Audit and Governance Committee on quarterly basis to ensure that any outstanding actions are completed.

Action Plan – Elswitha Internal Audit Report

1. Procurement

No	Recommendations	Actions	Responsibility, Timescale and Evidence
1/60	The Council obtains legal and procurement advice before commencing on commercial projects and at appropriate stages during projects.	Through 2012/13 training has been undertaken with staff responsible for project management in order to embed the principles of sound project management into the organisation. This has included training on the APSE five case business model which included taking account of the legal implications of projects at the appropriate stage. Through the programme and project methodology adopted gateway reviews are now built into the project process.Business cases now are integral to project proposals which are considered by the Commercial Board and include the APSE five case business model. **Additions from the 16th January Meeting:** 1. Develop Protocol and include in Procurement Guidance including point at which contact should be recorded. 2. Include Audit log requirements 3. Include information supporting development briefs	**Core Management Team** **Completed – Jan 2014** **[APSE Five Case Business Model, Commercial Board Terms of Reference, Programme/Project Management Proformas and Suggested Changes to the Constitution – Dec 2013]**
2/61	The Council reminds staff of the requirements under its own Contract Procedure Rules and under EU Regulations.	The business case template (both type I and II) which is now required by the Commercial Board in respect of all projects includes a description of the proposed procurement route any project should follow. This makes reference to both the council's internal procurement procedures and rules as well EU procurement procedures should the project be of that scale. The "Finance Matters" programme which took place in 2013 reinforced to staff the need to follow appropriate procurement procedures with regard to all projects.	**Core Management Team Completed – Jan 2014 [Commercial Board Terms of Reference, Programme/Project Management Proformas and Suggested Changes to the Constitution – Dec 2013, "Finance Matters" Programme - 2013]**

No	Recommendations	Actions	Responsibility, Timescale and Evidence
3/62	Before embarking on any exercise that might lead to procurement process the council considers what it is seeking to achieve and the best method for securing its objectives. This might mean considering such techniques as "competitive dialogue". In any event legal and procurement advice should be taken early in the process.	The business and project planning process adopted by the Commercial Board now requires this level of consideration by all those proposing projects which might lead to procurement.	**Core Management Team** **Completed – Jan 2014** **[Commercial Board Terms of Reference, Programme/Project Management Proformas and Suggested Changes to the Constitution – Dec 2013]**
4/63 16/131	The Council develops a protocol for contact with prospective developers/contractors which manages the risks of such contact and include the dissemination of any information provided to one prospective developer/contractor to all prospective developers/contractors.	**Not Started** **Additions from the 16th January Meeting:** Link to rec 63. Number 4. **To be included in procurement Guidance.**	
12/110	When the Council adopts an approach that it not the normal approach to contracting or working with partners it clearly documents what the approach is, how it will be applied and what outcomes can be expected. The risks should then be recorded and reported to members to enable them to ratify the approach and understand and/or approve the risks being accepted by the council.	The approach to be taken to developing or implementing a project is set out in the project management proformas. This includes recording and documenting the approach taken, recording and analysing risk. This will enable all the matters set out in the action to be reported to members when key decisions are required. **Additions from the 16th January Meeting:** This will only be on in extreme circumstances.	**Core Management Team** **Completed – Jan 2014** **[Commercial Board Terms of Reference, Programme/Project Management Proformas and Suggested Changes to the Constitution – Dec 2013]**
13/111	*We advise member training on the principles of sound project*	**Not Started**	

No	Recommendations	Actions	Responsibility, Timescale and Evidence
	management and robust due diligence expected on investment decisions and significant procurement. This is to enable more effective challenge at key stages of the decision making, both formal and informal, associated with the priority projects.	**Additions from the 16th January Meeting:** Include training on declarations of interest. Member Training – March/April - AR	
14/129	In future projects and developments the development brief clearly details the restriction on the use of council assets	**Working in Progress** The production of development briefs will be considered as a subject for an ACOP and this will include ensuring that a full description of the land and its legal restrictions is included in the brief. **Additions from the 16th January Meeting:** Include legal, covenants, infrastructure, recent investments, Physical restrictions in briefs. End of April 2014 – communicate to commercial board. To be included in Procurement Guidance Note.	**Senior Management Team** **By end 2014** **[ACOP 1]**
17/132	The council ensures that it has a robust valuation from more than one valuer for any land that it is seeking to dispose of in accordance with s123 of the Local Government Act 1972 other than by way of market competition.	The District Valuer will become the default valuer for council own land. Following legal advice on valuations it is not considered necessary to obtain more than one valuation for land. However it is important that any valuation obtained is robust and technically based. Other councils rely on the District Valuer for valuation information. A second valuation may be required in some instances where the District Valuers opinion conflicts significantly with expectations. In this instance a RICS registered valuer will be used.	**Core Management Team Completed – autumn 2013 [Commercial Board Terms of Reference, Programme/Project Management Proformas and Suggested Changes to the Constitution – Dec 2013]**
24/148	*The Council reminds members and officers that once a procurement, tendering, or contracting process has commenced all contact with the potential developers must be undertaken in a controlled way and*	**Additions from the 16th January Meeting:** Have minimum contact. Sufficient advice. Declaration of interest. **To be included in procurement Guidance.**	

No	Recommendations	Actions	Responsibility, Timescale and Evidence
	recorded. Information given to one potential developer is to be given to all potential developers.		
25/149	*When potential contractors instigate inappropriate contact it is reported immediately to the Monitoring Officer and the contractor informed to cease such contact.*	**To be included in procurement Guidance.**	
26/150	*The Monitoring Officer is more proactive in ensuring that appropriate member and officer standards and behaviours are maintained.*	**Ongoing. Discussions held at CMT.** Training undertaken with Governance and Audit committee delivered by KPMG– 27th November 2014 Training from Monitoring Officer and Leader from Lambeth Council scheduled for the Training to be scheduled relating to procurement and project management	**Alan Robinson** – 3 March 2014 **Alan Robinson** – March 2014

2. Decision Making

No	Recommendations	Actions	Responsibility, Timescale and Evidence
8/106	When members are asked to approve one of several options they are provided with sufficient information to make an informed decision, this could be achieved, for example, through the availability of a suitable business case, detailing the objectives and outcomes, showing strategic fit, and providing an options appraisal and risk analysis.	It has been agreed with the Leader and Deputy Leader that all reports will contain at least three options. These options will include that of "not to proceed" or "defer for further information". The evaluation of the options will be based on the APSE five case business model which will cover the matters referred to in the recommendation.	**Core Management Team** **Completed – autumn 2013** **[Recent reports to Committees]**
9/107	The council should ensure that the evaluation process is strengthened – with results validated for completeness and accuracy and where appropriate scores moderated or at least some exploration of any significant variations.	Procurement Lincolnshire's advice on the scoring and evaluation of competing submissions is being adopted where appropriate. In certain cases officer from Procurement Lincolnshire are taking part in the scoring and evaluation of competing submissions. This will lead to the analysis of individual scores where there is a significant variation in the scores from members of the evaluation panel.	**Core Management Team** **Completed – autumn 2013** **[Evaluation of the submissions in respect of the Gainsborough Regained Master Plan –** *need other examples]*
10/108	Members be made aware of any significant risks, issues, impact and all options that are attached to the decision they are being asked to make	Risks associated with projects are now recorded systematically through the project management proformas which are completed for projects. This will enable the risks to be assessed throughout the life of the project and report to members when a key decision is required.	**Core Management Team** **Completed – Jan 2014** **[Commercial Board Terms of Reference, Programme/Project Management Proformas and Suggested Changes to the Constitution – Dec 2013]**
11/109	The s151 officer should ensure financial risks are fully explained in reports, including what due diligence has been undertaken on significant investment decisions and/or procurement proposed by the council.	All reports are signed off by the s151 officer or an officer authorised by the s151 officer for that purpose. As part of the process of signing off reports the officer assessing and describes the financial risks associated with the decision. Reports will not be placed before a Committee for decision within the "FIN" reference. **Additions from the 16th January Meeting:** Additionally Lead officer have been identified for each	**S151 Officer** **Completed – October 2013** **[see FIN ref attached to Committee Reports]** **Lead officers CMT report.**

		committee to ensure this recommendation is complied with.	

3. Stakeholder Engagement and Management

No	Recommendations	Actions	Responsibility, Timescale and Evidence
21/155 22/156 23/157	The council undertakes an impact analysis on its key investment decisions assessing who might be affected by the decision and how they might be affected. The outcome of this analysis could then be helped to shape any communication and engagement strategy. In future developments the Council ensures that it engages with stakeholders at an early date and identifies key stages for engagement opportunities throughout the life of a project, especially where major change occurs. Stakeholder engagement should be identified as a key element of project plans.	The council's project management process has been overhauled in 2013. This has resulted in a new method for defining projects and has set the Commercial Board at the centre of governance for project and programme methodology. This will result in the council's project management approach being robustly and rigourtly applied to all current and future projects. This will include undertaking an impact analysis of key investment decisions to assess who might be affected by the decision and what the potential consequence for them might be. This will also include proposals for stakeholder engagement. **Additions from the 16th January Meeting:** 55, 56 and 57 merge together around stakeholder engagement and listening. Timely. Planning engagement and communication up front. Stakeholder engagement recorded.	**Core Management Team Completed – Jan 2014 [APSE Five Case Business Model, Commercial Board Terms of Reference, Programme/Project Management Proformas and Suggested Changes to the Constitution – Dec 2013]**
19/139	*The Council recognises the differing information needs of individual members and groups and takes this into account in Committee reports, briefings and information sharing.*	**Working in Progress** **Additions from the 16th January Meeting:** To be included in Stakeholder Engagement Guidance	Alex Reeks - - Mid Feb.
20/140	The Council puts in place arrangements to ensure that sufficient relevant information is made available to members and communication channels that ensure all members receive the information.	A comprehensive framework of disseminating information to members has been put in place. **Additions from the 16th January Meeting:** Terms of reference required for Leaders Panel and Members Forum. Ensure reports are succinct.	**Corporate Management Team Completed – autumn 2013 Members' forum – established by Deputy Leader, cross party Leader's Panel – terms of reference?**

4. Project Management

No	Recommendations	Actions	Responsibility, Timescale and Evidence
5/76	The Council's project management approach is always completely and robustly applied for projects that meet the project management criteria.	The council's project management process has been overhauled in 2013. This has resulted in a new method for defining projects and has set the Commercial Board at the centre of governance for project and programme methodology. This will result in the council's project management approach being robustly and rigoursly applied to all current and future projects.	**Core Management Team Completed – Jan 2014 [Commercial Board Terms of Reference, Programme/Project Management Proformas and Suggested Changes to the Constitution – Dec 2013]**
6/77	Groups that form part of the governance arrangements for a project have clear terms of reference which includes individual responsibilities and reporting lines.	**Work in Progress** The Senior Management Team is compiling "Approved Codes of Practice" (ACOP) for all significant activity under taken in the council. An ACOP will be produced which sets out a standard process for establishing sub groups which contribute to the development or implementation of a project **To be included in stakeholder Guidance Document.**	**Senior Management Team End January 2014 [ACOP 1 – sets the purpose of format of the ACOP, subsequent ACOPs will deal with specific issues such as this]**
7/78	Where it becomes apparent that a steering group is not working effectively the project manager should address the reasons why and escalate the issue through the project governance structure.	**Work in Progress** This situation will be covered in the relevant ACOP **To be included in stakeholder Guidance Document.**	**Senior Management Team End January 2014 [ACOP 1]**

Commercial Board Terms of Reference

## Contents

Commercial Board: Terms of Reference

I Context

West Lindsey District Council has agreed a Corporate Plan that with other priorities promotes the entrepreneurial approach whilst concurrently delivering robust governance and decision-making. This document sets out the Terms of Reference for the Commercial Board who will exercise its role within the policy and governance framework set by West Lindsey District Council and report directly to the Corporate Management Team (CMT).

II Purpose of the Commercial Board

The Commercial Board delivers the corporate setting to realise the benefits from the investment of resources. The Board leads West Lindsey District Council's programme and project management, investments through Capital Expenditure (CAPEX), whilst ensuring good procurement practice and contract management.

The Commercial Board provides the corporate coordination and oversight of these otherwise interdependent requirements. It also provides the overview of Programmes and the related projects to ensure the effective use of resources, capacity management and to drive the delivery of outcomes.
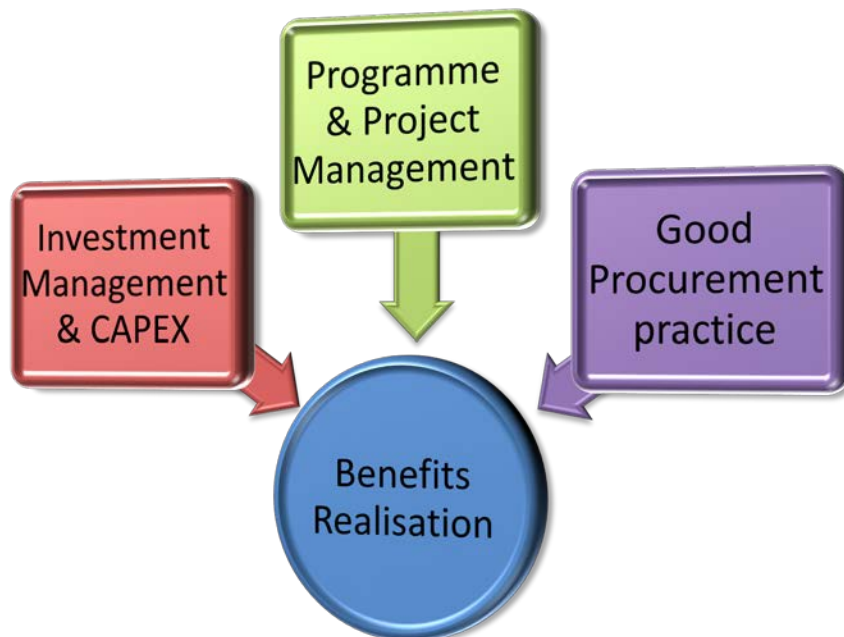
The Commercial Board will achieve this through:

- Developing the Commercial Strategy for consideration by Policy & Resources Committee, monitoring implementation and undertaking periodic evaluation reviews;
- Providing corporate leadership through the personal and collective responsibility of the Board, to agree and then effectively manage the framework of Programmes and projects;

- To be the corporate custodian of the Council's Programme and Project Management methodology, including the agreement of Programme and Project Management templates, maintaining the Programme and Project Registers, managing Project Gateway approvals, highlight reporting, securing financial and non-financial benefit realisation;
- The management of Investments and the Capital Programme through being the corporate custodian of CAPEX by:
  - Prioritising capital schemes,
  - Prioritising CAPEX towards:
    - Investments that secure an active contribution towards achieving the objectives in the Corporate Plan;
    - Investments that deliver a capital or revenue return / reduced expenditure;
    - Investments that deliver economic, physical or social well-being of the District.
  - Proposing a five-year Capital Programme to CMT and proposing a refreshed Capital Programme by 31 December each year, with quarterly progress updates during July, October[1], January and March[2];
  - Forecasting, monitoring and intervention for the delivery of Projects within agreed timescale and costs;
  - Controlling the cost of capital through phasing the drawdown of capital funds;
  - Considering business cases to release earmarked capital funding and to recommend to CMT the removal of Schemes from the Capital Programme in the event of no progress being made or funds no longer being required;
- Championing high standards of procurement practice, but in particular agreeing the procurement approach for all projects whilst ensuring all procurement is fully compliant with the Council's Constitution, exemptions, and delivered through effective contracts, Service Level Agreements, etc.;
- To maintain an overview of the corporate contract register with quarterly reviews;
- Create a procurement forward plan to manage organisational capacity, optimise the grouping of procurement packages; collaborative procurement; use of OJEU Frameworks; etc.
- Developing and supporting individual and team learning and development opportunities.

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[1] A separate pre-meeting will be held for capital monitoring quarterly progress and delivery involving a sub-group including Finance Representation, project managers, etc. which will report to Board.
[2] The Commercial Board progress reports will be used to inform the CAPEX element of the Progress and Delivery reports to Committee.

III The Programmes

Programmes	Objectives
Big Ticket *(Provide a high level overview of key projects)*	• Provide Direction; • Provide Monitoring, review and corrective action; • Inform and take input from political and other key stakeholders for key decisions: - - Size of budget; - Commercial complexity; - Politically sensitive / of interest.
Business Development *(Meet future corporate needs and increase revenue)*	• Increase existing revenue streams; • Create new revenue streams and attract new or on-going external funding.
Land and property *(Provide a Return on Investment – RoI & SRoI)*	• Regeneration; • Empty Homes; • Large site development; • Property and Asset management.

Capability
(Develop a commercial capability within the Council).
	• Marketing and Business Development Processes;
	• Finance Matters;
	• Customer Intelligence and Sales;
	• Training:
	   o Leadership;
	   o Finance;
	   o Procurement & Legal.
	• Action Learning Sets.

Each Programme will have a CMT level Senior Responsible Officer to lead the delivery of the Programme and coordinate the activity and achievements of the Projects.

IV Project Management Gateways

Project management gateways are to ensure a balance is achieved between the effort and level of detail required for a project to progress and a systematic methodology for the approval of projects. To balance good project management with the capacity of the organisation two types of Project Management documents have been adopted:

Project management gateways are to ensure a balance is achieved between the effort and level of detail required for a project to progress and a systematic methodology for the approval of projects. To balance good project management with the capacity of the organisation two types of Project Management documents have been adopted:

Type I Methodology

This comprises of the Project Mandate, Project Initiation Document, Business Case, Risk Register, etc. The templates are available on Minerva. The completion of the Financial Appraisal Model V4.0 will also be required, including the payback, rate of return, etc.

Type II Methodology

The Lite Version of the project management methodology encapsulated in a Business Case, available on Minerva. The same Business Case template is used for all 4 Gateways, but the information incrementally enhanced at each Gateway to provide the level of information required. For example, for Gateway 1 (see below), the benefits realisation (Section 5) will be developed into high-level objectives. But for Gateway 4, the benefits realisation will contain full information on all the benefits sought, the level of achievement together with any tangential benefits realised upon project completion.

The financial model in the Business Case Template is available on an Excel spreadsheet available on Minerva. In some cases the completion of the Financial Appraisal Model V4.0 will be required, including the payback, rate of return, etc.

It is expected that each project will have a Project Board and the Board through the Project Manager will maintain a Risk Log. This is in addition to the Business Case and the headline risks will be used in the Business Case at Section 11.

Criteria for selecting the appropriate Project management Methodology

The following criteria are designed to be a guide for Project Managers to assist preparing for a Gateway 1 submission. The Commercial Board will provide guidance and determine clarify if the Type I version is required in cases of doubt.

Type I Projects: **The Type I methodology will be where two or more of the following criteria apply:**

- *Financial*:   Projects with expenditure greater than £500,000[3];
- *Organisational*:   Projects which involve more than one local authority, another public body; etc.;
- *Human Resources*:   Projects that affect more than 20 staff, in terms of requiring restructuring; TUPE; etc.;
- *Procurement*:   Projects that will require OJEU level procurement.

Type II Projects: The default position for projects will be to use the Type II, Lite Methodology.

Programme / Project Management Gateways

The FOUR Project Management Gateways are:

- ## Gateway 1: overview of the project with outline information.

  Large and complex projects will need to follow the Type I Methodology and complete a Project Mandate to satisfy this stage. The Type II methodology requires the Business Case to be completed, but at this stage using high level information only. However, for any projects that will require CAPEX, Section 8 will require completion using the best available information. (NB at the Gateway 3 stage, the results of procurement will be used to refine the CAPEX and revenue consequences of the Project.

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[3] Land acquisitions would not normally follow the Type I methodology as a business case (Type II) will be used. But the process following acquisition will follow the Type methodology used for all projects.

- **Gateway 2**: **detailed information once approved but prior to procurement**.

    Large and complex projects will need to follow the Type I Methodology and complete a Project Initiation Document, Business Case, and Risk Register at this stage. The Type II methodology requires the same Business Case template to be used, but for the information used at Gateway 1 to be refined and improved to reflect the greater level of information, data, etc. obtained.

- **Gateway 3**: **procurement undertaken, value checked against approved CAPEX, revenue expenditure & realised savings (as relevant to the Project)**.
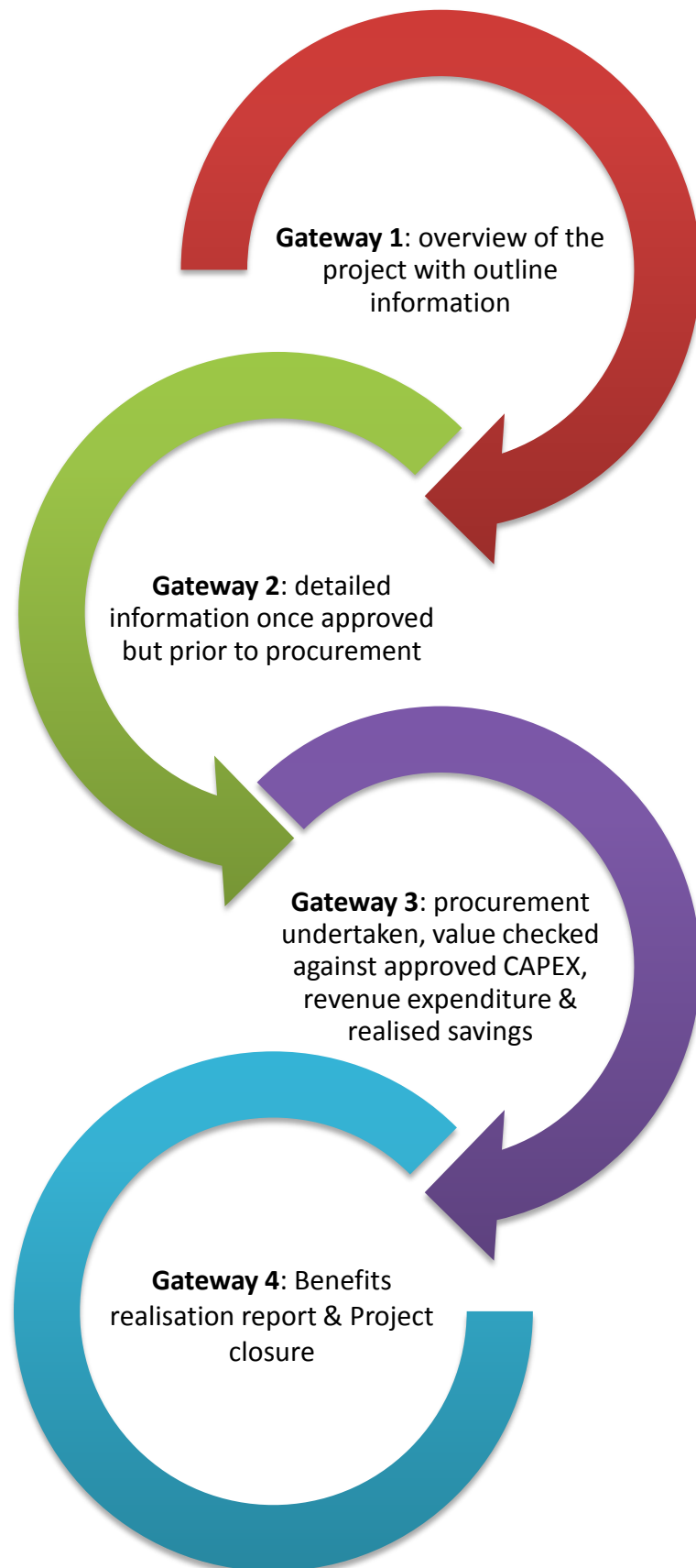
    For both the Type I and Type II methodologies the same Business Case template used for Gateway 2 is developed further and populated with the outcome of the procurement (if required). Otherwise the detail of the project planning will have been resolved, including timescales for the rollout of the project, to facilitate the Board approving the project to proceed with implementation.

    NB for some large and complex projects the preparatory work could form one project and a second project used for implementation).

- **Gateway 4**: **Benefits realisation report & Project closure.**

    This stage will be the formal closure of the project. For most projects this stage will incorporate reporting on how the benefits initially planned into the project upon inception have been realised in whole or part, together with any other tangential or unplanned benefits. In some cases, the Gateway 4 stage will be divided into two stages, the first (4A) to report and seek agreement to close the project and the second (4B) to report on benefits realisation. The Type I Methodology will require the benefits realisation report to be completed together with the Project Closure Report. For the Type II methodology the same Business Case template is be used, but the Benefits realisation Section 5 is completed in full.

The Project Gateways

Gateway 1: overview of the project with outline information

Gateway 2: detailed information once approved but prior to procurement

Gateway 3: procurement undertaken, value checked against approved CAPEX, revenue expenditure & realised savings

Gateway 4: Benefits realisation report & Project closure

V Operating Principles

The membership of the Board will operate using the following principles:

1. The Board will work together collaboratively to deliver the Corporate Plan outcomes sought by the Council and CMT;
2. All Members of the Board are equal in status and their contributions will at all times have regard to the contribution of others, be equitable and balanced;
3. The Board will operate using the principles of collective and individual responsibility;
4. Where possible a consensus will be sought, otherwise the decision will be taken by a simple majority vote, with the Chair having a casting vote if required;
5. All Members of the Board will adhere to the Officers Code of Conduct in the Constitution.

VI Meeting Frequency

The Board will meet as often as is required to administer its functions in an effective, efficient and economical manner. However, the expected frequency will be monthly. Papers to be considered by the Board will be available for circulation, no later than 6 working days before the Board meeting.

VII Structure & Funding

The Board is governed by a management structure that comprises, in ascending order: the CMT, Leaders Panel, the Policy & Resources Committee and West Lindsey District Council.

Chairing the Board
The meeting will be chaired by the Commercial Director, but initially by the Temporary Director of Commercial Projects, deputised by the Director of Resources.

The Chair: Will maintain an overview of key programmes / projects to deliver the Corporate Plan priorities. To achieve this the Chair is to:

- Convene regular Commercial Board meetings or separate meetings with project leads or other relevant decision makers as and when required to deliver the Boards programme of works;

- Work with the Business Development Manager and the Board Support on effective mechanisms and procedures, and make approvals and recommendations to move to the next stage of the programme/project.

Business Development Manager: is responsible for ensuring effective co-ordination of the programmes, and projects are approved by the Board by:

- Ensuring quality highlight reports and documents are produced by Project Managers to the agreed timescales;
- Preparing and managing an overall Programmes and related projects risk register;
- Providing support to individual project managers in areas such as blockages, risk management, trouble shooting, effective programme / project management and approval of key decisions and change control;
- Advising the Chair on key risks, adequate resources and other matters pertinent to effective delivery.

Board Support: is to provide support to The Chair and The Business Development Manager by:

- Ensuring adequate agendas, minutes and matters arising are available at least 5 working days before each meeting;
- Ensuring agendas and reports reflect reporting by exception;
- Acting as a critical friend to the Chair and Business Development Manager to ensure continual improvement and board management.

Membership

The Membership of the Board will consist of:

- The Chief Executive;
- Commercial Director;
- Director of Resources / S151 Officer;
- Group Accountant / Deputy S151 Officer
- The Monitoring Officer;
- Assistant Chief Executive;
- A representative of the Entrepreneurial Board;
- Representative of the Growth Board;

Non-Voting Members
- Business Development Officer;
- Board Support person;
- The representative of any other organisation or group considered relevant by a simple majority of the Board Members. Attendance at the meetings can be temporary to deal with a specific issue or permanent as determined by the Board. All Board Members can nominate a temporary or permanent replacement; however any nominees will be expected to hold the same level of seniority and delegation for decision-making at the Board.

NB: *The Terms of Reference for the Board have no effect upon the roles and responsibilities of the Council's three statutory officers: Head of Paid Service; Chief Financial Officer (S151) and the Monitoring Officer, each of whom can veto any proposed action if the proposal is contrary to good governance of the Council or related organisations.*

VIII Review

The operation and success of the Board will be the subject of an annual Review, to be conducted by the Board and considered at the first meeting in each calendar year. The outcome of each review will be reported to the CMT for consideration.

Issue date: 20 December 2013

Glossary

Benefit	Quantifiable & measurable improvements secured by achieving an outcome(s).
Change Control	Version control of a document. The minimum level of information will include the version number, author and reference date.
Gateway	This is the agreed project lifecycle. It comprises a series of four stages (Gateways) that progressively control and review the progression of a Programme or Project. The process incorporates a project prioritisation and approval process. Progression through the Gateways is recorded to provide effective and transparent corporate governance.
Input	The sum of what is put in or taken in by any process, system or project.
Output	The sum of all inputs to a process, system, project or programme.
Outcome	The effects / consequence of change (planned or unplanned).
Project	A temporary structure, usually a collaborative enterprise, involving research or design, that is carefully planned to achieve a business aim or objective. Projects will always have a start and end date and will be outside the normal duties and responsibilities of a Team.
Programme	A planned series of future events. Normally made up of a series of projects and activities to deliver desired business outcomes and benefits.
Type I Templates	The Type I templates are drawn from the Prince^2 project management methodology. The documents include: Stage 1: Project Mandate; Stage 2: Options Appraisal Business Case; Stage 3: Project Initiation Document; Stage 4: Project Delivery & Monitoring; Stage 5: Post Implementation Review.
Type II Template (Lite)	Type II uses a single Lite Business Plan Template. To progress through each of the four Gateways, the Business Plan Template is populated to a level appropriate to the stage, but continuing to use the information that remains unchanged. Version 1: So initially the Template requires only high-level information to describe the key information and overview required to describe what the project is intended to achieve. Version 2: The Template contains detailed project information by completing each box in the template. It will include the procurement options (if procurement required) and the recommended route. Version 3: Outcome of the procurement, value checked for CAPEX / revenue and ready to proceed. Version 4: Benefits realisation & learning detailed report and to seek agreement for project closure. It is recognised that in some cases not all benefits will be achieved at project close due to the need to allow the outcomes to be embedded. In this case a two phase Stage 4 will be required: Phase I – initial benefit realisation & project close; Phase II – Full benefits realisation.

WEST LINDSEY DISTRICT COUNCIL

ACOP Procurement Supplementary Guidance

1 What is an ACOP

An ACOP is an Approved Code of Practice of the key corporate procedures, clarifying what happens, roles, definitions and its purpose is to give officers clear guidance so that they are able to ensure good governance and management.

2 Scope of this ACOP

The scope of this ACOP is to provide additional guidance to staff to support the detailed guidance provided by Procurement Lincolnshire on procurement. It aims to ensure that recent lessons learnt by the Council are communicated to relevant staff.

3 Specific areas for awareness relating to procurement

The key principles that guide procurement activity can be summarised as:

1. Equal treatment
2. Non-discrimination
3. Mutual recognition
4. Proportionality
5. Transparency

Before procuring

All staff considering undertaking procurement should be aware of the requirements of the Councils Contract Procedure Rules and the EU Procurement Thresholds. A summary of thresholds for procurement activity is provided at Appendix 1, detailed guidance is available from Procurement Lincolnshire at - Insert Link- and in all cases, staff should have an early discussion with Procurement Lincolnshire regarding their intentions. (61)

In some instances, typically more commercial projects or projects where the proposed market engagement approach is not typical (this should be in exceptional circumstances), as well as advice from Lincolnshire Procurement, officers should also have an early discussion with Lincolnshire Legal Services for additional advice on proposals. (60)

For all procurement exercises, the following steps **must** be taken:
1. Identify what it is you are seeking to achieve and the best method for securing your objectives (62)
2. Where a development brief is required, the brief **must** clearly detail the restriction on the use of council assets. including legal restrictions, covenants, infrastructure restrictions, recent investments and physical restrictions (129)
3. Where the approach is non typical, the risks should then be recorded and reported to members to enable them to ratify the approach and understand and / or approve the risks being accepted by the Council (110)

4. Document the rationale for the chosen route, how it will be applied and the expected outcomes (110)

During a procurement exercise

During procurement, any contact with developers **must** be carefully controlled to ensure that the principles outlined above are followed throughout.

The following protocol should be followed at all times (63):

1. When responding to a question, or providing additional information to a prospective developer/contractor, the Council **must** provide the same information to all prospective developers/contractors (131)
2. The Council reminds members that once a procurement, tendering, or contracting process has commenced all contact with the potential developers / partners **must** be undertaken in a controlled way and recorded. See appendix 2 for a sample letter to members that should be sent – identify point in project - (148)
3. The Council reminds officer that once a procurement, tendering, or contracting process has commenced all contact with the potential developers / partners **must** be undertaken in a controlled way and recorded. See appendix 3 for a sample letter to officer that should be sent – identify point in project - (148)
4. If a potential developer instigates inappropriate contact it is reported immediately to the Monitoring Officer and the contractor informed to cease such contact (149)

In order to strengthen the evaluation process (107):

1. Results should be validated for completeness and accuracy,
2. Where appropriate, scores should be moderated or at least some exploration of any significant variations undertaken

When recommending proposed information, an impact analysis should be undertaken assessing who might be affected by the decision and how they might be affected. The outcome of this analysis should then help shape any communication and engagement strategy (155).

4   **Who does it apply to**

It applies to all staff, especially those undertaking procurement activity. It is the responsibility of all levels of management to ensure the benefits of ACOP are understood and communicated effectively.

5   **Procedure for Change**

This ACOP is corporate status and can only be changed by Corporate Director of Resources and Chief Executive jointly.

6. Approved and by SMT as a Procedure

This ACOP will be signed by all of SMT as responsible senior officers who are accountable for ensuring this procedure is followed.

Name	Signature	Date

Appendix 1 – Contract and Procurement Procedure Rules

Total Contract Value (See Definitions Appendix)		Process	Award Procedure Based On	Contract Publication	Documentation
From	**To**				
£0	£5,000	Oral *Quotation***	One Oral *Quotation*		Employee to record details
£5,001	£10,000	Written *Quotation*	Minimum of Two written *Quotations*		Employee to record details
£10,001	£25,000	Written *Quotation*	Minimum of Three written *Quotations*		Employee to record details
£25,001	£75,000	Request for *Quotation* (RFQ)	Three Written *Quotations* based on a RFQ document with simplified Terms & Conditions (T&Cs)	Web based publications e.g. Source Lincolnshire, Supply2Gov	**Must** be based on a written specification provided to the *Economic Operators* by the Council. Quotation may be delivered by e-mail.
£75,001	< EU Threshold	Formal Tender	Full Tender Process	Web based publications e.g. Source Lincolnshire, Supply2Gov & Specialist Publication if appropriate	Pre Qualification Questionnaire (PQQ) and Invitation to Tender (ITT) documentation as relevant with sealed bids which may be submitted via an electronic tendering process.
EU Threshold*	Above	Formal Tender and if above £500,000 the *Key Decision* process	Full Tender Process	Official Journal of the European Union (OJEU), Web based publications e.g. Source Lincolnshire, if appropriate	Consult with your *Procurement Resource*

Contracts falling within the different categories of Goods, Services and the carrying out of Works have value thresholds placed on them by the EU. When the estimated value of an individual contract (cumulative value not annual expenditure) is likely to exceed these EU thresholds, by law the Council must comply with the full EU procurement regime. These *Total Contract Value* thresholds change on a bi-annual basis, as a general guide: Competition Requirements under European Procurement Rules (currently applicable for contracts valued at over £173,934 for Goods and Services and £4,348,350[http://www.bipsolutions.com/html/thresholds.htm] for carrying out of Works, from January 2012). Clarification of the definitions of categories can be obtained from your *Procurement Resource*. A purchasing officer working with a contract estimated to be at the lowest of the above thresholds must seek expert advice from your *Procurement Resource* on the process to be followed before proceeding. As a minimum, this process is likely to take <u>at least</u> 4 months in addition to the contract lead-in time and therefore purchasing officers must ensure proper purchase planning procedures are in place.

** ** This includes similar types of process e.g. looking up from a catalogue**

Appendix 2 – Sample Letter to Members regarding contact with potential contractors

Dear Councillor,

Contact with Bidders

As you will no doubt be aware the West Lindsey District Council has started a procurement process for ???????????????.

I am therefore taking this opportunity to remind members that it is not appropriate to be in contact with potential bidders for the contract during the period of the procurement. Any contact could lead to legal challenge over the fairness of the procurement process and as such have a financial impact on the Council. This may also be considered to be breach of the Councillors Code of Conduct which all members have signed.

If you do have any contact with potential bidders I would ask that you avoid entering into any conversations of correspondence with them and that you advise me of the nature of the contact.

Also take this opportunity to remind members that if you are part of the decision making process relating to this procurement that you must declare any interests that you have in relations to any of the parties.

Thank you in anticipation for your support on this matter.

If you require any further information, please get in touch with me.

MO

Appendix 3 – Sample Letter to officers regarding contact with potential contractors

Dear Colleague,

Procurement exercise

As you will no doubt be aware the West Lindsey District Council has started a procurement process for ???????????????.

I am therefore taking this opportunity to remind relevant officers that it is not appropriate to be in contact with potential bidders for the contract during the period of the procurement. Any contact could lead to legal challenge over the fairness of the procurement process and as such have a financial impact on the Council.

If you do have any contact with potential bidders I would ask that you avoid entering into any conversations of correspondence with them and that you advise me of the nature of the contact.

Thank you in anticipation your support on this matter.

MO

WEST LINDSEY DISTRICT COUNCIL

ACOP Project Roles and Responsibilities

1   What is an ACOP

An ACOP is an Approved Code of Practice of the key corporate procedures, clarifying what happens, roles, definitions and its purpose is to give officers clear guidance so that they are able to ensure good governance and management.

2   Scope of this ACOP

The scope of this ACOP is to provide guidance on project and programme management roles and responsibilities.

3   Project Roles and Responsibilities

Within a project environment, clarity on roles and responsibilities are essential in delivering effectively and in a timely manner.

Specific areas for clarity are around:

1. Who is responsible for managing the project on a day to day basis (the Project Manager)

2. Who makes/where are decisions about whether or not the project should progress past a specific gateway made. This will be dependent on the scale of the project and delegated authorities.

3. Within the decision making framework specific to the project, what decisions are delegated to the project manager?

4. What is the process for managing and escalating issues and risks?

Lack of clarity can lead to:

1. Delays in decision making,

2. Delays in delivery,

3. Lack of support for the project manager to co-own issues and risks

Appendix 1 outlines the key roles and responsibilities in a project environment.

4   Who does it apply to

It applies to all staff, especially those who manage or direct projects and programmes of work. It is the responsibility of all levels of management to ensure the benefits of ACOP are understood and communicated effectively.

5 **Procedure for Change**

This ACOP is corporate status and can only be changed by Corporate Director of Resources and Chief Executive jointly.

6. Approved and by SMT as a Procedure

This ACOP will be signed by all of SMT as responsible senior officers who are accountable for ensuring this procedure is followed.

Name	Signature	Date

Appendix 1: Project Roles and Responsibilities

Introduction

In WLDC PMM, the Project Board is accountable for the successful outcome of the project. Its members should ideally be appointed by senior or corporate management, who will then delegate the day to day management to a project manager. The Project Board consists of three key roles:

- **Sponsor** (Officer responsible for the projects delivery and the realisation of the benefits)
- **Senior Supplier** (provider of resources to deliver project i.e. staff)
- **Senior User** (recipient of the outputs of the project)

Composition of the Project Board

The Project Board is accountable for the successful outcome of the project. Its members should ideally be appointed by the relevant Board, who will then delegate the day to day management to a project manager. The Project Board consists of key roles:

- Sponsor (typically a Director/Head of Service)
- Service User (recipient of the outputs of the project – typically a Head of Service /Team Manager)
- Senior Supplier (for ICT Projects only)
- Team Manager (recipient of the outputs of the project - if Service User is a Head of Service)
- Project Manager
- Project Team/ Specialist Resources

This ensures that all internal stakeholder interests are represented. The Sponsor represents the 'business' or 'customer', i.e. the person or group that commissions and pays for the project. The 'senior user' on the other hand is the person or group that will use the product(s). These are sometimes but by no means always the same thing.

External users may be represented on the Project Board if in the view of Project Sponsor it is both appropriate and beneficial to the delivery of the project.

Project Board responsibilities and tasks:

- ownership of the project from start to project closure acting as the deliver arm of the Commercial Board (Gateway 1 to 4 - but not responsible for benefits realisation)
- recommending the appointment of the Project Manager, and of anyone assigned to a project assurance function (dependent upon the size and nature of the project i.e. Legal, Technical Services etc.) via the Commercial Board (Gateway 1 – 2)
- ensuring the project is properly resourced (the supplier and customer **must** both be prepared to commit sufficient resources for the project)
- determining whether the project is worthwhile on an ongoing basis, i.e. regularly reviewing the project against the Business Case and reporting progress via Highlight Reports (Gateway 1 – 4)

- recommending the plans, and at the end of each stage to be taken to the Commercial Board for authorisation to proceed to the next stage (Gateway 1 – 4)
- agreeing how to proceed when an Exception is raised by the Project Manager i.e. change requests, risks and issues etc. (Gateway 1 – 4)
- formally accepting the outputs of the project prior to handover to the Senior User to realise the benefits (Gateway 4)
- Project closure - the Sponsor is also responsible for commissioning the Post Implementation Review and Lesson Learnt for the Commercial (Gateway 4)

Project Board Members

The Sponsor

Owns the Business Case is responsible for ensuring the outputs of the project realise the benefits (outcomes) stated in the Business Case. The tracking, measuring and reporting of the benefits stated to the XXXXXXXXX Programme Board (M Sturgess). Ensuring that lessons learnt review is undertaken and reported back to the Commercial Board.

Provides support and guidance to the Project Manager and is ultimately responsible to the Commercial Board for the success of the project. If the Sponsor feels that the Business Case is no longer valid or require material changes to the project that necessitate the project entering change control they should make a recommendation to the Commercial Board . The Sponsor role has to be held by a single individual.

The Service User

Provides the user perspective and specifies the desired outcome. This role is concerned with quality, functionality, ease of use and so on. This role also ensures that the user is able to use the final product and that there is no unacceptable adverse impact from the outcome of the project. The Service User role can be shared by more than one person.

The Senior Supplier

Provides the necessary skilled resources and ensures conformance to defined standards in the specialist area. This role is concerned with the quality of the product(s), risks, assurance, and is responsible for the specialist integrity of the project. The Senior Supplier role can be shared by more than one person but the role would only be typically required for projects that are underpinned by ICT changes.

Team Manager (Project)

This role is optional and many projects manage perfectly well without a team manager.

The Team Manager manages the ***project team*** (as distinct from the Project Management Team, i.e. the Board, Sponsor and Project Manager). The project team is the set of people who produce the project deliverable documentation and deliver the change (the 'specialists').

Project Roles and Responsibilities – Draft version 1

The Team Manager liaises closely with the Project Manager. The role is assigned to a separate individual when it is helpful to delegate authority for production of particular bespoke pieces of work (a Work Package) and / or Outputs, and for the management of specialist skills.

In WLDC, the size and nature of the project will dictate whether the Project Manager acts as Team Manager. If a project has a significant specialist element, it is more likely that one of the Service Managers or another line manager within their group will assume the Team Manager role.

Project Manager

The Project Manager role should be assigned by the Project Board, and this person is responsible to the Board for day to day management on their behalf. The Project Board delegates authority to the Project Manager so that most decisions can be made without referral, but there are pre-defined constraints on this authority (known as 'Tolerance'). The Project Manager role cannot be shared.

Key responsibilities of the Project Manager include
- end to end life-cycle of the project through start to handover (project closure)
- development of the required project documentation up to business case and additional necessary documentation throughout in line with the WLDC project methodology
- managing the utilisation specialist resources e.g. procurement
- ensuring that the project produces the required Outputs to specified standards (quality) within time and cost constraints, and undertaking a controlled handover to the Project Sponsor
- resource management (allocation of resources is likely to be negotiated with the relevant Director, who may be the Senior Supplier)
- ensuring stakeholders are identified, engaged and a an analysis is undertaken and a Communication Plan developed
- preparation and ownership of the Communications Log
- preparation and ownership of the delivery of the Project Plan
- preparing work plans for the Team
- identification and management of risks and issues
- progress monitoring and reporting progress to the Board and other stakeholders
- managing a procurement period of a project (utilising Procurement Resources as support)
- liaison with the Project Assurance function if there is one
- undertaking a lessons learnt review

The Project Manager can double up as Team Manager if appropriate, especially on smaller or non-specialised projects.

Project Roles and Responsibilities – Draft version 1

The Project Team

The Project Team is the group of individuals (or specialists) who actually create the outputs or deliverable documentation. They will have the relevant skills (and availability) for the project, and they are responsible for carrying out the work detailed in the project plan. In some cases the team may only consist of a single individual, or individuals working consecutively on different stages of a project.

Responsibilities of the project team include:

- helping the Project Manager to deliver the objectives
- using their technical expertise to carry out the tasks they have been given
- alerting the Project Manager to any risks that appear, especially if they might jeopardise successful delivery or completion of the project's objectives
- providing information for project documentation (reports) as needed
- understand the overall aim of the project and how they fit in to it
- understand and use the project management standards used within WLDC
- maintain the project documentation (reports) in line with the quality plan, if required

WEST LINDSEY DISTRICT COUNCIL

ACOP Stakeholder Management

APPROVED CODE OF PRACTICE – WHAT IS AN ACOP

1 What is an ACOP

An ACOP is an Approved Code of Practice of the key corporate procedures, clarifying what happens, roles, definitions and its purpose is to give officers clear guidance so that they are able to ensure good governance and management.

2 Scope of this ACOP

The scope of this ACOP is to provide guidance on stakeholder management during project planning and delivery.

3 Specific areas for awareness relating to Stakeholder Management

There are likely to be individual or groups who are not part of the project team, but who will be affected by or interested in the project and can have a strong influence on its success. Effective communication and engagement with key stakeholders, both internal and external, is therefore essential. This ACOP provides guidance on how to identify and communicate with those people or groups who have an interest in or influence over the project.

The key elements of communications and stakeholder engagement and when to undertake them, based upon the Project methodology Gateways, are:

Gateway 1	1. Stakeholder Identification 2. Stakeholder Analysis (expectations, Interest and power)
Gateway 2	3. Communications and Engagement Plan
Gateway 3 Gateway 4	4. Communications and Engagement Logging

Identify Your Stakeholders (who?)
A stakeholder is any person, group or organisation who will have an interest in or be affected by the output of the project. This includes people directly involved in the project. You need to understand who your stakeholders are, and make plans for involving them in the right way and at the right time. See Appendix 1 for further guidance on Stakeholder Identification.

Stakeholder Analysis (what and why?)
Having identified the stakeholders, having more information about their requirements, influence and power as part of your analysis develops the project; the second part of Gateway 1 is to determine the best way of managing the stakeholders.

Stakeholder Analysis is important for three reasons:
- A common criticism is that the impact to stakeholders is not communicated, their expectations and requirements are not gathered and they are not informed how these will be met.
- A further criticism of many projects is that stakeholders are not kept informed of changes and developments, which reflects badly on the project, or causes delays.
- It is extremely rare for all stakeholders to support the changes brought about by the programme or project.

Stakeholder Analysis helps you to address these points. If you understand a particular stakeholder's view of the project, their influence over others, their expectations and how these will be met; and their level of commitment, you can target your communications activity. You can make sure you keep stakeholders who are positive about the project 'on side', whilst also trying to persuade people who are against it to see the benefits and actually shape the project in to something they can agree with. See Appendix 2 for further guidance on Stakeholder Analysis.

Communications and Engagement planning (how and when?)
During Gateway 1, the focus was to understand stakeholder's expectations and to understand how they are likely to feel about and react to the project and conduct an analysis of how best to meet their expectations. In Gateway 2 you need to use this information to determine how best to communicate with them.

You need to plan carefully how you're going to engage with and communicate to all of the stakeholders in the project and the Communications and Engagement Plan should state how the activity is to be delivered; the approach; who will deliver it; who will prepare the necessary material; when and where the communication/engagements will take place. See Appendix 4 for further guidance on Communications and Engagement.

Gateway 3 and 4: Record Your Stakeholder Communications and Engagement
The Communications and Engagement Log should record the communications to stakeholders as agreed in the Communications and Engagement Plan. It should record:

- The date of the Communication/engagement
- The type of Communication/engagement
- The class of Communication (how was it communicated) of the Communication i.e. email, workshop, meeting etc.
- A description of what was communicated and a ref to the documentation in an audit log.
- The recipient(s) of the Communication
- The author of the communication
- Any additional comments that are relevant i.e. the purpose

It is especially important to record key communications in respect to controlling contact and documenting communications with suppliers during a procurement period, re-enforcing the protocol for contact.

Recording compliance with the communications plan, particularly with respect to contact with prospective suppliers assists in mandating that plan and managing the risks of such contact.

A copy of the Communications Log is at Appendix 6.

Stakeholder groups that form part of the governance arrangements for a project should have clear terms of reference which includes individual responsibilities and reporting lines. Records of invitees, attendance, agendas and minutes for all working group or stakeholder meetings should be recorded.

Where it becomes apparent that a steering group is not working effectively the project manager should address the reasons why and escalate the issue through the project governance structure.

4 Who does this ACOP apply to

It applies to all staff, especially those in management positions. It is the responsibility of all levels of management to ensure the benefits of ACOP are understood and communicated effectively.

5 Procedure for Change

This ACOP is corporate status and can only be changed by Corporate Director of Resources and Chief Executive jointly.

6. Approved and by SMT as a Procedure

This ACOP will be signed by all of SMT as responsible senior officers who are accountable for ensuring this procedure is followed.

Name	Signature	Date

Appendix 1 – Stakeholder Identification

The first step in this gateway is to identify potential stakeholders. You might want to involve other people in this process. If you have an idea of who will be on the Project Board or Project Team, you could hold an informal workshop to do this. A key question when identifying stakeholders is: Whose support or opposition might significantly influence the success of this project?

There are 2 main categories of stakeholders:
1. Internal Stakeholders
2. External Stakeholder

Examples of typical stakeholders include:

Internal	External
Leaders Panel	Service Users
Committee	Customers
Ward Members	Residents
Corporate Management Team	Specific Communities
Service Management Team	General Public
Corporate Services	Suppliers and Sub Contractors
IT Services	Specific Partner Organisations
Employees	Neighbouring Authorities
Trade Unions	Greater Lincolnshire LEP
Programme Boards	Central Government Departments
Project Team	Other Regulatory Bodies
	Funding agencies

Appendix 2 – Stakeholder Analysis

The basic steps to the Stakeholder Analysis are:

1	Start with the **stakeholder list** you already have and, using the information you now have, refine it or add to it if you need to.
2	Identify the **impact** upon them, their **expectations** and the **point of view** of each group. A stakeholder will typically be: - For: In favour of the project and wants to see it succeed - Neutral: Has no strong opinion either way about the project or whether it succeeds - Against: Is against the project and/or doesn't want it to succeed
3	Identify how **interested** the Stakeholders are and **how their expectations will be met**. There are three levels of interest: - High: Very interested in the project, actively seeks out information and opportunities to get involved - Low: Takes an interest in the project but doesn't actively seek out information - No Interest: Is not interested in the project For each expectation identified you need to understand how these would be met.
4	Identify the **influence** of the stakeholder. Are they: - High: Carry influence and are able to use it to change the views of a number of different groups or determine progress - Low: Little or no influence over the views of others of the direction of the project
5	Using this information, decide the **general approach** you need to take with each stakeholder. Do you need to: **Monitor** - these stakeholders but do not bombard them with excessive communication. These typically have a low interest, low influence and a neutral point of view. **Get them involved** - Keep these stakeholders adequately informed, and talk to them to ensure that no major issues are arising. These stakeholders can often be very helpful with the detail of your project. These typically have a high interest, low influence and a point of view that is 'for' or 'against'. **Keep them happy** - Meet their needs and level of involvement/ interest. These typically have a low interest, high influence and a neutral. **Keep them up to date -** These are the stakeholders you **must** fully engage with and involve. These typically have a high interest, high influence and a point of view that is 'for' or 'against'. <u>Note</u>: In all circumstances there will be a need to formalise the arrangements/relationship with the stakeholder to provide clarity of purpose in respect to the purpose of the communication.

When you come to plan the project in detail you will be able to use this information to scope out any communications activity that you need to do and by prioritising your stakeholders you can determine the most appropriate ways to engage with them depending on who they are and their interest in the project. See Stakeholder Analysis Template in Appendix 4.

Note - It is also important to keep in mind that a project is dynamic entity and that both stakeholders and their interests might change over time. For example, some stakeholders will be more affected by a particular stage of a project.

Stakeholders, dependent upon the impact of the project has upon them, their expectations in relation to that impact and how the project will meet these expectations may have the power either to advance or block it.

Key questions that can help you understand your stakeholders

- What financial or emotional interest do they have in the project? Is it positive or negative?
- What motivates these stakeholder's most of all?
- What is their current opinion of the project? And what is this opinion based on?
- Who influences their opinions generally, and who influences their opinion of you and the project? Do some of these influencers therefore become important stakeholders in their own right?
- What information do they want from you?
- What is the best way of communicating with them?
- Who do they influence? Do these people become stakeholders in their own right?
- If they are not likely to be positive, what will win them around to support your project?
- If you don't think you will be able to win them around, how will you manage their opposition?
- Do these stakeholders understand the approach being taken to determine and justify the viability of a project? If not what needs to be done to communicate this?
- What is the best way communicate and introduce an agreed process for controlling and documenting communications with suppliers (e.g. developers)

Ask your stakeholders directly - people are often open about their views, and asking people's opinions is a good first step in building a successful relationship with them.
For positive commitment:

- They **must** be dissatisfied with the current situation
- They **must** like the way things will be after the project is complete
- They **must** be able to 'see' a straightforward first step
- They need to be convinced that doing things differently will not cost them more than they are willing to pay (cost and payment may be expressed in terms beyond financial such as security, recognition, growth etc.)

The following are questions that may help in understanding the stakeholders and their influence:

6

- Who will be adversely affected by potential environmental and social impacts in the project's area of influence?
- Who are the most vulnerable among the potentially impacted, and are special engagement efforts necessary?
- At which stage of project development will stakeholders be most affected (e.g. design, implementation)
- What are the various interests of project stakeholders and what influence might this have on the project? And what is the approach
- Which stakeholders might help to enhance the project design or reduce project costs?
- Which stakeholders can best assist with the early scoping of issues and impacts?
- Who strongly supports or opposes the changes that the project will bring and why?
- Whose opposition could be detrimental to the success of the project?
- Who is it critical to engage with first, and why?
- Who is the optimal sequence of engagement?

Appendix 3 - **Communications and engagement planning (how and when?)**

Use the **Stakeholder Analysis** information to determine:
- **Who** you need to communicate with?
- **When** do you need to communicate with them?
- **What** information will they need, or have?
- **How** will you provide or get that information?

You need to plan for four types of communication:
- **Regular or standard communications** – for example, project board - dates, agendas, minutes, reports; newsletters
- **Procedural Communication** – this would be to communicate to stakeholders the dates and of their responsibilities during a specific phase of the project and any sensitivities and legal obligations upon them, for example during any procurement period or Legal Communication by ensuring a protocol is in place to control contact with prospective suppliers (e.g. developers/contractors), contract
- **Consultation and engagement** – this would be a separate product of the project but you should set out the overall approach to this kind of communication
- **Reactive communications** – how will you deal with the random questions you're asked, or how will you deal with contractors for example.

On some projects, you might need to create a separate communications work-stream for example via the Communications Team. See Appendix 5 for the Communications Plan Template.

Don't forget that after *"Who, What, Why, How and When"* comes "*Do*",   It's very easy to develop a Communications Plan which is approved by the Programme Board and is then forgotten. The important part is to carry out the planned engagement and communication activities, and to check the effectiveness of this in informing and involving stakeholders *("Review").*

Appendix 4 –Stakeholder Analysis Template (template on Minerva at ……………………….)

Stakeholder Analysis															
1	**2**							**3**			**4**		**5**		
Stakeholder	What is the impact on them?	What are their Expectations?	What is their Point of View?			Level of interest			How will their expectations be met?	Influence		General approach			
			For	Neutral	Against	High	Low	No interest		High	Low	Monitor	Get them involved	Keep Happy	Keep up to date
Internal															
External															

Appendix 5 – Communications Plan (template on Minerva at ……………………..)

Stakeholder	Areas of Interest (What?)	Method of Communication (How?)	Frequency and Key Dates (When?)	Responsibility (Who?)
Regular Communication				
Procedural Communication				
Consultation and Engagement				
Reactive Communication				

Appendix 6 –Communications Log (template on Minerva at …………………….)

	Communication Details					
Date	Type	Class	Description	Recipient(s)	Author	Additional Comments