

Audit & Governance Committee

12 September
2017

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Independent Review of the Civic Development Project

Final Decision-Maker	Audit & Governance Committee
Portfolio Holder(s)	All
Lead Director	Lee Colyer – Director of Finance, Policy and Development
Head of Service	David Candlin – Head of Economic Development and Property
Lead Officer/Report Author	Lee Colyer – Director of Finance, Policy and Development
Classification	Non-Exempt
Wards affected	All

This report makes the following recommendation to the final decision-maker:

1. That the Committee **notes** the approach to be taken in obtaining an independent assessment of the Civic Development Project.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Green Borough
- A Confident Borough

This report is concerned with the internal control and governance of the Council. Successful controls and effective governance are a crucial underpinning for all corporate priorities.

Timetable

Meeting	Date
Management Board	30 August 2017
Finance & Governance Portfolio-holder	5 September 2017
Audit and Governance Committee	12 September 2017

Independent Review of the Civic Development Project

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out the approach being undertaken to independently review the Civic Development Project to the end of the Royal Institute of British Architects (RIBA) Plan of Work Stage 3 (Developed Design).
 - 1.2 The independent assurance will take the form of two separate pieces of work namely:
 - A review of the approach to project management of the civic development to be undertaken by Mid Kent Audit; and
 - An Independent Assessment of the Civic Development Business case to be undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA).
 - 1.3 The outcome of these two reviews will form part of the Stage 3 decision-making report pack which will be taken through the Council's governance process, leading to a final decision at Full Council on 6 December 2017.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The Council has a vision as part of its Five Year Plan to provide a new theatre for the town along with new office and civic facilities. The Council has identified the sites in its ownership next to Calverley Grounds as the most suitable location for the development which will also include a new underground car park.
- 2.2 The Council has been following the industry standard RIBA Plan of Work and at each key Stage decisions have been taken by Full Council to continue with the project. A dedicated website has been created that includes all the decision-making material and further information on what is planned, <http://www.twciviccentre.co.uk/>
- 2.3 The completion of RIBA Stage 3 is an important milestone and an ideal point at which to seek independent views to help inform decision-makers prior to progressing further with the project.
- 2.4 Under the Council's Constitution the Audit and Governance Committee forms part of the regulatory framework with responsibility to monitor corporate governance and risk management.

- 2.5 This report provides the Committee with the opportunity to comment on the approach to obtaining independent assurance on the Civic Development Project.
- 2.6 Following the completion of the independent reviews it is planned to bring the reports back to the Audit and Governance Committee in November 2017 for further consideration. It is important to understand that the remit of the Committee is just concerned with governance and not with policy or decision-making of the Council.

Mid Kent Audit Brief

2.7 A summary of the brief is shown below:

- Complete a project management health-check on the civic complex project, to include:
 - Is there clear and appropriate project methodology in place?
 - Is there a detailed project plan, which includes a comprehensive task list with reasonable time allocated to each task?
 - Is there a risk register in place for the project?
 - Are roles and responsibilities for project management clearly defined?
 - Is the level of responsibility and extent of role required of each individual deliverable alongside his or her wider role?
 - Have individuals with key responsibilities on the project sufficient understanding and experience in those roles?
 - Do we have the full scope of the project represented at Board level?
 - Has anything been undertaken before and, if so, have we investigated and understood the lessons?
 - Have we sought independent assurance on the project management?
- Document and evaluate the adequacy of financial controls over the development programme fund/budget.

CIPFA Assessment Brief

2.8 A summary of the brief is shown below:

- To provide independent assurance on the key financial assumptions underpinning the overall scheme;
 - To provide independent assurance on the planned financial governance;
 - Ensure completeness of reports to members to reflect fairly the advice of the Council's retained cost consultants;
 - Review the funding strategy and schedule of income and savings initiatives;
 - Test the robustness of the funding strategy;
 - Test and explore alternative contingency planning; and
 - Review, test and offer advice to the statutory officers on the planned approach to financial governance over the life of the scheme.
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3. AVAILABLE OPTIONS

- 3.1 The Committee is being asked to consider and note the above independent review briefs.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATION

- 4.1 The report seeks to inform the Committee of the approach for obtaining independent views on the Civic Development Project.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 At the meeting on 25 July 2017 it was agreed that the independent review briefs would be shared with the Committee.
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6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off (name of officer and date)
Legal including Human Rights Act	None identified at this stage.	Lee Colyer, Director of Finance, Policy and Development
Finance and other resources	None identified at this stage.	
Staffing establishment	None identified at this stage.	
Risk management	Risk management is the subject of the report but it does not of itself raise new risk issues for consideration.	
Environment and sustainability	None identified at this stage.	
Community safety	None identified at this stage.	
Health and Safety	None identified at this stage.	
Health and wellbeing	None identified at this stage.	
Equalities	None identified at this stage.	

7. REPORT APPENDICES

None

8. BACKGROUND PAPERS

None