

## **Review of Spelthorne Borough Council's Developments and Investments and proposed Programme Board**

### **Introduction**

Following the change of Leader in June 2020, the new administration was concerned that there was insufficient member involvement in the management of the investment properties and in the Council's own development and regeneration projects.

Following an initial meeting at the end of August, Terms of Reference (Appendix 3) were developed and agreed during September and these highlighted the following issues to be investigated:

- The way projects are initiated and shaped
- How changes of scope and costs are managed during the life of projects
- Budget monitoring and management
- The approach to risk management
- Management of commercial property asset

Information was gathered during October and November. This was acquired from existing documentation, including some not normally available to members, and meetings with officers.

A draft version of this report was offered to the Chief Executive for comment in December. During January some of practicalities of the proposed Programme Board were explored with a senior officer and these are set out in Appendix 2.

As the work developed it became clear that the arrangements for progressing the Council's developments were the area that required immediate attention. It was also apparent that there was less of an issue with the management of the property portfolio, as no further acquisitions for commercial purposes are planned and current management arrangements are professional and meet the immediate needs.

This report sets out a number of changes that the Leaders Task Group believe need to be implemented as soon as possible.

## **Summary and recommendations**

Ultimate responsibility for all aspects of the Council's activities falls to councillors, but past and present Members are not in a position to understand or control many aspects of either the Council's developments or property portfolio. The commercial property portfolio and projects are operationally overseen by the officer committee called the Development and Investment Group (DIG). Councillors are only involved in certain defined activities, usually when financial authorisation is required. The Working Group has formed the conclusion that prior to this Administration the governance structure within the Council has previously shown serious limitations

The principal concerns in relation to SBC development projects are:

- A comprehensive audit trail does not exist to show how, historically, key decisions were made and how subsequent changes were agreed
- Historically, there has been inconsistent and undocumented Leader / Cabinet / Portfolio Holder / O&S involvement in key decisions.
- Members have not been kept informed as project financial profiles have changed. • No clearly defined project management methodology is being followed and Change Management practices are unsatisfactory.
- The financial reporting, monitoring and future spend profiles are not transparent. • Development plans are being made without member involvement, outside of the context of the Staines Masterplan and without any resident consultation.

The principal concerns in relation to SBC commercial and retail property investments are:

- Across the political spectrum Members have an insufficient understanding of the property portfolio and are not engaged with its management. There are currently limited opportunities for Members to develop the understanding necessary to accept a level of accountability.
- The financial and risk reporting on the portfolio do not give Members a transparent view of the current and expected future positions and require improvement.
- Members, past and present, are not fully aware of the 'Prudential Code' and the requirements put

upon them when considering property investment. Some do understand the PC, however, there needs to be greater, more consistent understanding.

To address these issues the following actions are recommended:

1. Establishing a member-led Programme Board to oversee all SBC development projects, clear accountability all levels
2. Retaining the existing DIG but reporting to the Programme Board for development projects and with amended terms of reference for DIG.
3. Reviewing the project management methodology and ensuring that it is used for all development projects.
4. Review the arrangements for management of the investment and commercial properties to confirm the management model and long-term staffing, skills and external consultancy requirements.

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5. Implementing proposed reporting improvements to provide councillors with a consistent view across all activities.

## **Background**

Spelthorne Borough Council has borrowed and invested more than £1bn in commercial properties and has plans to invest hundreds of millions more on housing developments and local regeneration. The commercial property investments have attracted considerable public attention and some criticism, mainly due to the scale of the borrowing involved. Future developments are predicated on further borrowing.

Some councillors across all political parties were concerned both with the level of borrowing and what these liabilities might mean for the future and also with the level of member involvement and scrutiny of transactions and projects. For the purposes of transparency and clear commitment to putting residents first, the current Leader has decided to create a Working Group to consider how the situation might be improved.

In the opinion of the Working Group there were a number of areas where they were unclear about how decisions were made and what processes were being followed. It was apparent that there were some aspects of these areas that were not accessible or disclosed to Members, for example the redacting of project reports to the Overview and Scrutiny committee.

It became apparent to the Working Group that they needed to understand the working of DIG, which seemed to be the group that had oversight of both property investments and development and regeneration. The initial request to see the agenda and minutes was refused on the grounds that "The Development and Investment Group is an internal officer group meeting and the matters discussed are not distributed any wider than those who attend the meeting"<sup>1</sup>. An offer was extended to answer specific questions. Following the intervention of the current Leader, sample information was provided.

It was established that previous Cabinet Members had attended some DIG meetings. The current Leader

requested that himself and another Member observe DIG meetings to get an understanding of the scope and operation of the group.

At the September Cabinet meeting there was a proposal for additional funding for the Ceaser Court development. A detailed consideration of the paper raised a number of questions about the way in which projects were/are being managed and decisions were/are taken. The specifics of this development were discussed with officers and this further reinforced the need to understand the operation of DIG. The issues are set out in the Ceaser Court example section below.

The Working Group formed the view that the level of member involvement in these areas was insufficient and this should be the principal focus of the investigation.

<sup>1</sup> Email dated 7<sup>th</sup> September

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### **Development and Investment Group**

Working Group Members attended DIG meetings on 5<sup>th</sup>, 12<sup>th</sup>, 19<sup>th</sup> and 26<sup>th</sup> October 2020. The DIG agenda considers investment properties and developments / regeneration on alternate weeks, and therefore two meetings of each type were observed. The Working Group did not make any contribution to the meetings.

The meeting has a formal agenda and minutes are produced. A standard set of property/project reports are considered as relevant for the meeting i.e. commercial portfolio or development/regeneration focused. These documents are not routinely available to Members and there was initial resistance to sharing them with the Working Group.

The Chief Executive is absolutely clear that “Officer Working Groups don't make decisions”, and there was no indication that any individual or DIG collectively were exceeding their delegated authority. Officers make recommendations and Members are required to make decisions as appropriate.

During the meetings, a number of issues were raised that councillors were not familiar with or, in some cases, even aware of. Examples of this were the intended use of the Oast House site and possible uses of the Tothill car park. Both these projects have been progressed with associated spend of >£800k for the Oast House and >£200k for Tothill. It was impossible to discern from the information available how the shape of these important developments is being arrived at.

**It is important to note that the Working Group have taken no position on the appropriateness of the developments that SBC currently has underway or planned, and only considered the processes that underpin the projects.**

The Working Group believe that there is a lack of member and public involvement in the Council's ambitious development programme. This is best addressed by clearly defined processes, which explain

expected engagement activities in terms of scope and timing.

It was impossible to establish where the authority for the shape of developments was being derived. In most instances this was not relevant to the day-to-day project activities, where work was proceeding to a precisely defined goal e.g. building Harper House and the White House hostel. In general, active projects are operating within the approved financial envelope. Some projects have however mutated from their original proposal and an overspend is inevitable, but there is no formal record of approval of the change in scope or a guarantee of additional budget to cover the costs.

The Working Group have been told that the Cabinet was advised of progress via Cabinet briefings, and that changes to plans and costs were presented and unminuted endorsement obtained. The Working Group do not believe that this was (or is) an appropriate way to determine expenditures of hundreds of millions of pounds of public money. Formal records of decision on both scope and the financial implications must be properly maintained and be available for member inspection.

The DIG meetings are essential for the proper management of the Council's commercial portfolio and development projects. There is however a clear need for a member-led group to act as a Programme Board to oversee the direction of development and regeneration projects.

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### **Property Portfolio**

Whilst the property portfolio has attracted considerable attention, in the opinion of the Working Group it is now in a "business as usual" state and does not have the same issues as arise for new development projects.

The Council has no intention of making further property investments for income and so there is no reason to review processes around this type of acquisition. The new PIC arrangements (first meeting in 2020) appear to provide a reasonable route to ensure democratic involvement in decisions on the commercial property portfolio

There remains considerable scope for improvement of Cabinet papers in respect of acquisitions. Examples of historic issues include not containing sufficient consideration of all the risks and seeking funds for a complete development project when only partial information is available. As part of a redefined project management approach a new business case template should be implemented, and this should be the basis of the Cabinet/Committee paper for approval.

The Working Group is aware of plans to improve reporting and would encourage this particularly in respect of portfolio performance / expectations and risk management. It is incumbent on councillors to fully engage with the information provided and ensure that they provide robust scrutiny of the management of the Council's portfolio.

### **Asset Team Resources**

The Working Group received only limited assurance about resource planning from senior officers. Most of the uncertainty arises from a lack of clarity on the Council's appetite and aspirations for

developments. Councillors are not currently giving clear instructions on what projects are expected to proceed and in what timescales. Looking ahead, it is essential that councillors accept the need to provide a clear forward view and understand and accept the full implications. These decisions should be made by the widest possible group of councillors who are in full possession of the relevant facts. Members need to understand that long-term decisions, once made, cannot be changed according to the political wind and that they are accountable for them.

The Working Group had concerns about the long-term resource requirements and skills necessary for the management of the portfolio and within the Assets team in general. Some external validation of the operating model for projects, regeneration, portfolio management and KGE support is required to provide reassurance that the challenging plans are realistically and efficiently resourced. The Working Group see this as being a long-term need. With a balance sheet of £1bn and an intent to invest more than £300m, it would be a serious error to under-resource this area. The Council must understand and accept the full cost implications of undertaking such an ambitious programme of work.

## **Project Management**

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The Working Group is not satisfied with the adequacy of project management arrangements, with little historic or current evidence of a structured approach or a consistent methodology. Confidence was further undermined by what appeared to be very weak understanding of what good project governance might look like and a reliance on a software system to provide a management approach. Given the high level of future expenditure this situation needs to be urgently reviewed.

The SBC Intranet contains a section on project management<sup>2</sup> that contains some information on project management, but this is far from complete or fit for purpose. It is not clear who was responsible for defining the project management standards or if there was any enforcement of them. The Working Group was reassured about the level of experience of the Asset Team and found no reason to doubt that is the case. It was also suggested that Members could be given a demonstration of the software used so as to better understand current processes. Whilst these demonstrations may have some value, they do not address the lack of a defined, observable and monitored governance model.

There is an urgent need for the definition and assertion of a standard project methodology combined with a robust governance framework. In particular, there is a need for a transparent Change Management process to provide an audit trail on decisions and amendments.

The Working Group are concerned that project management is not adequately resourced. Given the scale and cost of these developments, it appears to be a high-risk strategy to not have sufficient dedicated project management resource following defined processes.

## **Overview and Scrutiny Committee**

At meetings prior to the November Overview and Scrutiny Committee meeting, project information had

not been fully available with important parts marked as “confidential”. This made it impossible for the Committee to undertake any effective scrutiny. At the November meeting this problem was largely addressed but the full DIG reports were not provided.

In practice there have been limited historic opportunities for the O&S committee to actively engage with development projects at any detail.

<sup>2</sup> <https://spelnet.spelthorne.gov.uk/article/2506/Projects-made-simple>

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### **Proposed Programme Board**

A Programme Board is a governance structure associated with the delivery of a number of associated projects which relate to a consistent strategic vision and share some common resources. This board would provide governance for the work currently operationally delivered via DIG.

The Board should have the following characteristics:

1. Constituted from both councillors and senior officers.
2. Councillor membership to be on a cross-party basis.
3. Meet every two months or ad hoc as required<sup>3</sup>.
4. Be empowered to make decisions within the approved financial envelope of the individual projects as formally agreed by the Cabinet or Council.
5. Review business cases to be put forward for financial approval.
6. Monitor the progress and financial performance of all active major projects.
7. Develop and oversee a member and public engagement protocol to cover all developments.
8. Require that a comprehensive and consistent project management methodology is followed for all developments.
9. Publish its agendas and the minutes to Members<sup>4</sup>.

In order for a Project Board to be effective there would be a need for training in project governance and the SBC methodology. It is not expected that all Programme Board members will be experts in the theory and practice of Programme Management, but it will be vital that they fully understand the SBC process and their role in it.

It is recognised that adoption of a new governance model and project methodology will have associated costs, but the scale of the anticipated programme of works and financial commitments involved mandate a higher level of structure and control.

It needs to be recognised that the establishment of a Programme Board would require that some councillors very actively engage in the development projects. This will involve a high level of commitment. It is not certain that there are sufficient willing and able councillors to fulfil the demands of Programme Board members. Without consistently engaged Members the Board will relapse into a talking shop and provide a further layer of ineffective bureaucracy. With motivated and appropriately skilled Members the Board can supply the democratic oversight and accountability that is currently missing.

<sup>3</sup> A process will need to be established for dealing with urgent decisions.

<sup>4</sup> It is assumed that the majority of activities are likely to be considered confidential.

### **Development Example - Ceaser Court**

The purchase of Benwell House in Sunbury was authorised in July 2017. The original Cabinet paper as well as approving the purchase provided for a development budget of £13.3m for conversion of the office building to 41 flats and 14 other units. This was revised by a Cabinet paper in September 2017 to a total of 69 flats in two blocks with a development budget of £13.8m. Work on phase 1 was scheduled to start

immediately with phase 2 to commence in Q4 2017.

In September 2020 a Cabinet paper was prepared to approve a revised plan for a total of 91 flats and incorporating community space in the phase 2 block. Approval of a total budget of £18.913m was requested. The Working Group held a meeting with officers to seek answers to questions arising from the latest funding request.

The key points - that emerged from the discussion were:

- There is no audit trail on how the design changes for the development were authorised between September 2017 to September 2020.
- Plans which would increase costs were formulated and implemented without formal financial approval of changes that would result in overspend on approved budget.
- Public consultation only took place on the final design for a 5-storey block in phase 2 with no alternative options offered.
- There was no financial appraisal available for the whole development, with the Cabinet asked to approve additional expenditure to complete phase 2.
- There is no audit trail on why money allocated to building both blocks was used to enlarge phase 1.

In summary, it appears that this development has historically proceeded with only minimal councillor or public involvement. Officers were reluctant to identify who had made the decisions, but the Working Group believe these were made by, the Leader at the time. Incredibly, there appears to have been no expectation at the time that a formal record of decisions should be retained.

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### **Development Example – The Oast House**

The previous administration purchased the Oast House site in March 2019 with an outline development budget of £85.7m. The report proposed that the site would be used for strategic regeneration and housing. The accompanying appendix dealt only with the housing potential of the site. At the time of writing there have been no further Cabinet papers relating to the development of this site.

Analysis of the Council's published expenditure shows that a total of £1.05m was spent on this site between January and August (8 months). In that period no information was provided to councillors on the design intentions for this development.

The main findings are:

- Plans have been formulated and costs incurred without any reference to political administration / Cabinet.
- There is no audit trail of decisions.
- There has been no local consultation on what was proposed for the site.
- All activities are undertaken without member involvement.

In retrospect, the decision to approve a budget for the whole development in March 2019 looks to have been made prematurely. It is unclear what the budget was to fund as the Cabinet paper was inconsistent on the numbers of housing units and has been subject to changes. Any costing at such an early stage could only be highly speculative and development funds should have been limited to working-up possible schemes for the site with further financial approval once a development had been agreed and costed.

That such detailed and expensive planning has taken place without public consultation or any form of member involvement is something that should not have been allowed to happen, and processes should be put in place to prevent this in future.

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### **Appendix 1 – Additional clarifications following Officers comments**

The Working Group presented a draft of the report to the Chief Executive and received a few comments in response. Some of these have been incorporated into the report but others would have required structural change and are presented below as discrete sections.

#### **Audit and other review activities**

It has been pointed out that there were reviews of specific development activities by Internal Audit and Homes England. Both these reports raised no fundamental concerns with the way the developments were being progressed. The Task Group accept the conclusions of both the reviews but do not feel that either were specifically concerned with the Council's governance model nor were they looking at the future development programme as a whole. The Task Group sees a need to reinforce governance processes to reflect the increased ambition and expenditures and to augment Member involvement.

#### **Information and reporting that has been available to Members**

It was pointed out that there have been many occasions when Members have been provided with information and opportunities to ask questions, including Cabinet briefings, Overview and Scrutiny committee meetings and meeting on specific projects. It is acknowledged that there have some been recent improvements in information provision to Members. The Task Group felt that there remains considerable room for improvement, particularly at the early stages when developments are taking shape. Some briefings were not open to all members creating an impression of secrecy and decisions

being taken behind closed doors.

The Task Group believe that engagement with councillors needs to be formalised, with comprehensive information being available across the lifecycle of developments. A consistent flow of information will prevent Members from feeling that they are in the dark on what is being planned.

### **Training of Members**

This report recognises the need for Members to be trained in order to contribute effectively to the Programme Board. This training should be in the form of explanations of the operating model and processes that SBC is employing to develop the schemes.

The training should include at least the following topics:

- The processes being adopted for Programme and Project governance.
- A layman's guide to the way the developments are planned, built and completed.
- An understanding of the SBC capital programme and how the developments are financially managed through their lifecycle.

The option of including access to an external expert for advice should be considered.

### **Consultation**

At present all the mandatory legal consultations are done with additional events held to encourage stakeholder understanding. Historically, there has not however been adequate consultation taking place

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at the earliest stages of developments. All too often it has been the case that only the proposed plans were consulted on, with limited opportunities available for input at the earliest stages.

The Task Group want to see wider consultation with active engagement of stakeholder groups. This would also include providing updates as plans are developed and options are worked up. Part of the role of the Project Board would be to ensure that communications with stakeholders are undertaken and that there is a proper audit trail of how the final plans have been reached.

During any early stage consultations, attention needs to be paid to supporting Members and the public in understanding the possibilities and constraints associated with a particular site. For example, it may be appropriate to arrange for meetings which offer opportunities for interested parties (including Members) to discuss potential schemes without a proposed plan being put forward, but with the focus placed on how the objectives can best be met.

### **Approvals and Authorisations**

The Task Group recognise the independence of the Local Planning Authority and the Planning Committee in determining permissions for schemes. The Programme Board should not be involved in any aspect of planning approval. Members of the Programme Board would not be eligible to be part of a Planning Committee considering a SBC scheme on the grounds of probable pre-determination.

Financial approval is to be sought for each stage of a development. The Programme Board would be expected to agree, and in effect propose, a recommendation for a scheme seeking financial approval. In principle the Programme Board is providing pre-decision scrutiny of the development and endorsing the

scheme.

It is suggested that financial authorisation of a scheme includes a stated level of contingency. Use of contingency funds would require authorisation from the Board, otherwise the management of the scheme within authorised parameters is the business of the Officers.

**Appendix 2 – Establishment of Programme Board**

Discussions were held with Officers to look at how the Programme Board would be established and operate. The notes of these discussions are not comprehensive but are intended to assist in establishing the Programme Board by adding detail to what is intended. Whilst these notes are the product of a dialogue, they do not represent a formally agreed final position and are expected to be further shaped by events.

**1. Establishment of Project Board and mandate**

a) Establishment of Programme Board (PB)	Formal role and authorities to be incorporated into the structure of the Committee System by the Leaders Committee System Task Group Initial establishment prior to the Committee system to be determined.
b) Programme Board mandate	Scope of PB activities and delegated authority to be confirmed as part of the Committee System Task Group.

c) Position within Committee system	<p>Sub-committee of either Corporate Policy and Resources or Planning Strategy and Economic Development in the new committee structure once established.</p> <p>The initial view is that membership of the PB is not restricted to members of parent committee but this is subject to final agreement by the Committee System Task Group.</p>
d) Financial delegation	<p>PB to have delegated authority to control “Stage” budgets for each project, including for any defined contingency. The Committee System Task Group will need to confirm this. It would normally be appropriate that once budgets are agreed, PB financial management would be in response to exceptions only.</p> <p>The most up to date estimate of total project cost is to be made explicit at each stage and agreed as affordable in principle when a stage budget is authorised i.e. it is noted that the project is expected to proceed to completion, but authorisation to spend the whole sum is not given.</p>
e) Emergency decisions	Quorum of PB Chair (SRO <sup>5</sup> ) plus [x] board members.
f) Status of decisions	Decision made by PB within delegated authority (i.e. within a stage) cannot be overruled by parent committee. The Council would always retain the right to intervene for strategic reasons.
g) Involvement of councillors	<p>Accountable – Members of Board</p> <p>Consult – Members for impacted Wards at early (outline design) stages</p> <p>Inform – all Members via minutes plus press releases etc. It is the clear intention that members take responsibility for the developments and regeneration activities undertaken by the Council.</p>
h) Appointment of Board members	To be decided.

<sup>5</sup> Normally referred to as the Senior Responsible Officer (SRO) in Programme Management terminology. This term could be confusing in the Spelthorne context where “officer” has a different meaning.

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## 2. Responsibilities

a) Regeneration projects	Responsible
b) Housing development projects	Responsible
c) Property acquisitions or disposals	<p>Evaluation and recommendation of the purchase of new sites for development or regeneration purposes made to appropriate authorising committee or full Council.</p> <p>Oversight of the sale (not lease) of any site within the Borough.</p>
d) Investment portfolio (incl	No involvement

lettings)	
e) Property transfers to KGE	Agreement of transfer arrangements as part of the development project where they are within the agreed objectives for the project, otherwise escalated to relevant financial authority level.

### 3. Membership

a) Programme Board Chair	Council Leader
b) Supplier representative	Senior SBC officer representing delivery of the projects.
c) User representatives	[x] Members KGE non-executive director
d) Programme manager	Requirement to be determined
e) Communications	Member of Communications team to ensure consistent and timely messaging to all stakeholder groups.
f) Minutes and actions	Committee services.
g) Finance	Requirement to be determined. PB should avoid any direct involvement in operational spending decisions but rather focus on whether costs etc. are on target.

### 4. Programme and Project management

<p>a) Gateway stages for developments</p>	<p>1. Acquisition (to include an indication of expected purpose) 2. Outline design (including unit mix and purposes i.e. housing, offices etc.)  3. Detailed design to planning application  4. Construction  5. Transfer to BAU  Periodic reviews of outcomes and achievements against success criteria. It may be appropriate to add stages for individual developments or for different parts of a project to proceed on separate timelines, for example where there is a phased development.</p>
<p>b) Standard reporting to DPB</p>	<p>See below</p>
<p>c) Standard documentation</p>	<p>See below</p>
<p>d) Delegated authority</p>	<p>Need to establish how stage budgets are to be approved. It would not be practical for all approvals exceeding £1m to require a decision at a Council meeting. There is a need to balance the political desire for control on spending against the need for a mechanism which will allow timely decision-making and for projects to progress efficiently. This needs to be incorporated in the Committee System of delegation. There will be an annual refresh of capital funding to be approved at the February Council meeting.</p> <p>The £1m level will be considered and determined as part of the work of Committee System Task Group</p> <p>It will be important for councillors to recognise the need to make decisions at the right time, with all relevant information and to then not allow changes of direction based on the political wind. Changes of course will have financial costs attached.</p> <p>Delegation levels will need to come out of the move to the committee system and be considered by the Task Group and agreed by Council</p>

**5. Information expectations for Project Board**

<p>a) Programme summary</p>	<p>A RAG status report will need to be defined. This will include high-level finance projections, major risks, timeline for stages and expected decision points etc.</p> <p>The RAG would need to be developed further and is not yet fully defined.</p> <p>It will be important for the PB to have an understanding of the funding stream.</p>
<p>b) Decisions required</p>	<p>Reports will be required to support PB decisions. (See business case below). It will be important that there is an audit trail of decisions taken by the PB. These reports would normally coincide with the development stages.</p> <p>Reports are expected to be as short as possible, ideally 1-2 sides.</p>
<p>c) Project status</p>	<p>As reporting currently presented to DIG. The aim is to require minimal additional work from officers.</p>
<p>d) Financial status</p>	<p>To be included in the programme summary and project status reports. The PB will require a periodic presentation (6-monthly proposed) of the longer-term expenditure plan at an aggregate level. This should indicate the future funding expectations.</p> <p>These should align with capital monitoring reports (ensure consistency and minimise duplication) .</p>
<p>e) Resource utilisation</p>	<p>Some indication of total Council resource (staff and contractor) being applied and future expectations (simple FTE).</p>

## 6. Project management documentation

a) Project brief	<p>A document to define purpose and objectives of the project. Ideally this is written once and not require major amendment during the project.</p> <p>The document should be strategic and made public subject to any commercially sensitive elements being removed.</p>
b) Business case	<p>The document which must be authorised to allow a project to proceed. This should be updated and re-approved for each of the Gateway stages as per 4a. The format needs to be revised from current Cabinet paper style with less background (in the project brief) but with greater detail in key areas related to the phase for which approval is being sought. The business case should include the latest estimates (time and cost) for the complete project.</p>
c) Project plan	<p>Feeds into programme summary.</p>
d) Risk and issue log	<p>Reported by exception to PB where they threaten ability to deliver to time, cost or scope parameters.</p>

## 7. Communications

a) Members	<p>All councillors will have access to minutes which will remain confidential.</p> <p>Advance notice of any information to be published by the Council (e.g. advised before a planning application is submitted).</p>
b) Staff	<p>Internal communication and updates.</p>

c) Public consultation	PB should review and agree a standard model for publicity around Council projects. There should be a communication schedule created for individual schemes.
d) Decisions	Relevant decisions of the PB should be publicised e.g. intention to prepare a planning application for a site and an outline scope.
e) Knowle Green Estates	Recognise the special interests of this stakeholder.

## 8. Objectives

<p>The Programme Board will need to ensure that each project has clearly defined objectives against which performance can be assessed.</p> <p>How these objectives are to be set will require policy decisions by Cabinet/ Corporate Policy and Resources Committee with links to Corporate strategies and KGE targets. Officers will need to advise on the possible impacts of some of the options that will be raised so that everyone is fully sighted on implications arising out of certain courses of action or where objectives are in conflict.</p> <p>It should be recognised that setting clear and measurable objectives is likely to require that compromises are made. Establishing objectives at the start of the project will mean that any areas of compromise can be explored before significant expenditure or effort is expended.</p>	
a) Strategic	Ensure that the programme objectives are explicitly recognised within existing strategic documents e.g. Capital Strategy. There might be issues with timing of alignment, but this should be the aspiration.
b) Financial	There is a need to establish and monitor financial objectives for the programme as a whole and for individual projects. The objectives for an individual project should be established at the outset and included within the business case.
c) Housing	Target numbers covering different types. Targets will also be appropriate for non-housing developments.
d) KGE	Council and KGE objectives/targets need to be explicitly aligned and this should be done as a collaborative exercise.
e) Quality	SBC should be seen to be setting the standard for developments across the borough. It is recognised that this is impossible to define and is subjective, but it is a dimension that is important for the reputation of the Council.
f) Timescales	For gateway events.
g) Environmental	The objectives for each development needs to be aligned to wider SBC environmental strategy and commitments (not currently

	defined).
h) Reporting performance against objectives	Provide an annual update or similar. This can probably be done within existing annual reviews/statements/reports.

## 9. Relationships

a) Political	It is important that councillors make decisions in the open and stick to them. Where changes are requested by Members after the project brief and initial business case have been agreed, Officers will be expected to make the costs and other implications associated with any change explicit.
b) Officers	Members must avoid any attempts at operational interference. The PB provides the platform for Member involvement.
c) Council committees (Committee System assumed)	Updates to the parent committee should aim not to be confidential and along the lines of the reports from committees (e.g. Planning) to the Council. It may be the case that noting the PB minutes will be adequate as a formal report.
d) DIG	The PB acts as reference point for DIG should decisions are required. The PB do not get involved in DIG.
e) Property and Investment committee (PIC)	PIC (or any revised group) is the only route for Member involvement with the commercial and retail property portfolio.

## 10. Programme content

a) Thameside House
b) Elmsleigh Centre regeneration
c) Ceaser Court 1 & 2

d) Leisure Centre
e) Ashford multi-storey car park
f) Ashford hospital
g) Knowle Green West Wing
h) Oast House
i) Tothill car park
j) William Hill / Vodafone
k) Future: Summit Centre
l) Future: Elmbrook House
m) Other sites that may arise
Items completing in next few months which will not be included in the Programme: <ul style="list-style-type: none"> <li>• White House hostel</li> <li>• Harper House</li> </ul>

### Appendix 3 – Terms of Reference

## Terms of Reference for the Leaders Task Group on member oversight of Council developments and investments.

### Purpose

To establish permanent arrangements that ensure member involvement in and oversight of Spelthorne Borough Council developments and investments.

### Problem statement

The Leader is concerned that there is insufficient involvement of members in aspects of the activities of SBC, including, but not limited to:

- The shaping and initiation of projects
- Management of changes during the project life-cycle
- Budget monitoring and management
- Risk management
- Management of commercial property assets

The deficit in member involvement has led to a lack of democratic accountability and

responsiveness to residents' concerns.

### **Scope**

Includes all items considered by the Council Development and Investment Group (DIG).

Consideration of all Council projects categorised as Flagship and High priority i.e. significant projects.

### **Approach**

1. To establish the operating model of the current arrangements and what member interaction is expected.
2. To establish the relationship between the SBC project methodology and member involvement.
3. To propose a new model of member interaction with the commercial and retail property portfolio and significant projects.

### **Expected outcomes**

A proposal for how members will interact with decisions made in respect of the commercial and retail property portfolio and significant projects and how these will be monitored on an ongoing basis. The proposal, and any possible options, to be put to the Council for approval prior to adoption.

Persons involved

- Task Group members as appointed by the Leader.
- Relevant officers to meet the information requirements of the Task Group.

## **Terms of Reference - Development and Investment Group**

### **Responsibilities:**

#### **Strategic Acquisitions**

To:

- 1) To discuss and agree (where officer delegation financial limits are exceeded), reports to be considered by Property and Investment Committee (PIC) with regards to potential new acquisitions and request PIC provide an initial steer on whether to further investigate investment opportunities.

#### **Disposal**

To:

- 1) To discuss and agree (where officer delegation financial limits are exceeded) reports to be considered by PIC regarding the potential disposals of assets and request PIC provide an initial steer on whether to further investigate.

#### **Management of Strategic Investments**

To:

- 1) Receive weekly update report with exception reporting

- 2) To discuss and agree (where required) leasehold disposals (lettings) of part in respect of the Investment properties which fall within the officer delegation financial limits.
- 3) To discuss and agree reports to be considered by PIC for leasehold disposals (lettings) of part in respect of the Investment properties which exceed the officer delegation financial limits.
- 4) To discuss and agree any reports to be considered by PIC to approve the transfer of assets in the residential portfolio to or from Knowle Green Estates Limited if deemed necessary for the appropriate and effective management of the asset.
- 5) To discuss and agree any quarterly/annual reports to be considered by PIC on the management of investment assets to include details on rental income, potential new letting opportunities and any other estates management issues officers consider necessary for discussion.
- 6) To discuss and agree any reports to be considered by PIC at key stages on individual assets when tenancies are coming up for review.

### **Management of Municipal Properties**

To:

- 1) Receive weekly update report with exception reporting
- 2) Discuss and agree (where required) leasehold disposals (lettings) in respect of municipal properties which fall within the officer delegation financial limits.
- 3) To discuss and agree reports to go forward to PIC to approve leasehold disposals (lettings) in respect of municipal properties which exceed the officer delegation financial limits.

### **Development**

To:

- 1) Receive weekly update reports with exception reporting
- 2) Discuss and agree which reports from officers should be put forward for discussion by PIC regarding options for the development of sites owned by the Council.
- 3) Review quarterly reports on progress of development programme before putting these forward to PIC.

### **Frequency**

Weekly – alternating between a focus on Investments and a focus on regeneration and development.

### **Decisions**

This Group has no formal decision-making powers, expect where those decisions sit within the delegations of officers.

### **Membership**

Core

- Chief Executive
- Deputy Chief Executives (2)
- Group Head Regeneration and Growth
- Head of Corporate Governance
- Property and Development Manager
- Invitees
- Property consultants (investment and development)
- Property Managers (investment, regeneration and municipal)
- Housing Strategy and Enabling Manager
- Corporate Procurement Manager

