

CYNGOR SIR POWYS COUNTY COUNCIL.

GOVERNANCE AND AUDIT COMMITTEE

Date 5th November 2021

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REPORT TITLE: Capital Programme Governance Framework

REPORT FOR: Discussion / Information

1. Purpose

1.1 The purpose of the report is to provide the Governance and Audit Committee with detail of the Capital Programme Governance Framework that is now in place in order for members to consider the effectiveness of this approach.

2. Background

2.1 On the 30th July 2021 a report was presented to Governance and Audit Committee setting out a number of workstreams that will assist the Committee in scrutinising the arrangements to seek assurance that the appropriate systems, controls and processes are in place to ensure that all capital projects are considered, approved, procured and managed effectively and that value for money can be evidenced.

2.2 This report covers work stream 1

1. To have more detail on the governance framework in place and its effectiveness in considering Capital Schemes for approval and inclusion into the Capital Programme

2.3 The Capital Outturn Report to Cabinet on 19th June 2019 indicated that more work needs to be done to improve the way we forecast and profile our spend intentions of capital through the year. The Capital Bids Update 2020-23 report introduced the Capital Governance Framework and outlined the approach the Council intends to follow.

2.4 The Head of Finance put in place the Capital Governance Framework provided as Appendix 1, in response to the challenges described above. A business case template with notes explaining the aims of each section and what should be included is also provided as Appendix 2.

2.5 The Capital Governance Framework is a robust capital governance framework to ensure that each capital scheme is considered and appraised fully before being approved, and to ensure that there is scrutiny and accountability at every decision stage. Budget holders and project managers are required to follow prescribed guidelines to ensure uniformity and consistency across the council.

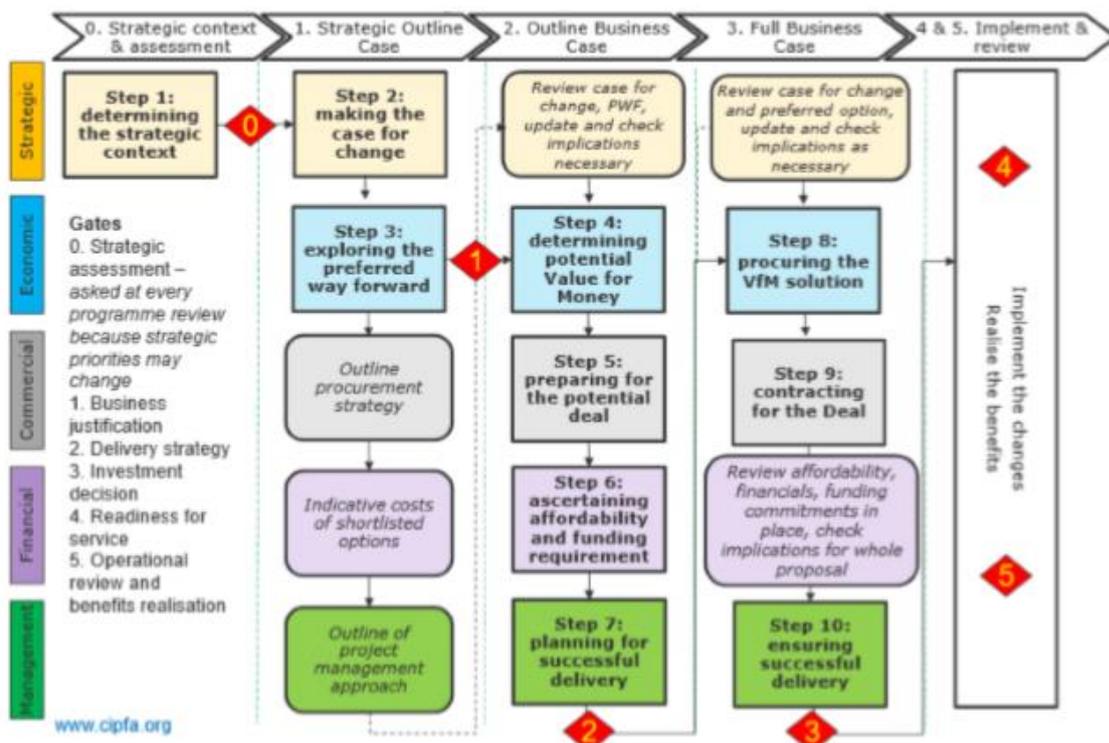
3. Advice

3.1 The Capital Programme is governed by decision making arrangements that align to County Council decision making processes, and gateways aligned to Office of Government Commerce (OGC) standards. It is based on a consistent approach to the corporate standard for business cases and other documentation required to inform decision making.

3.2 The governance procedures outlined in Appendix 1 contribute towards

- disciplined governance that includes approval gateways at which prudence, affordability and sustainability will be reviewed and approved,
- recording and communicating decisions made at approval gateways,
- establishing clearly defined roles and responsibilities for officers and members,
- procedures that allow the opportunity for projects or programmes to receive additional scrutiny/assurance,
- ensuring that business cases are supported by information that enables informed and effective decision-making,
- ensuring that stakeholders are engaged in evaluation and decision making.

3.3 The Gateway Review Framework (see below) identifies multiple points within an initiative's life cycle where decisions must be made to progress. These decisions vary from approval of options for further analysis, to final investment decisions and change control. Therefore, the appropriate decision will vary dependent on the gateway, risks and cost of the scheme.



- 3.4 All initiatives, via a programme or project business case are subject to this process. It allows the Capital Programme to be regularly tested in terms of prudence, sustainability and affordability, allowing both strategic and technical direction to be provided.
- 3.5 A number of templates for Strategic Outline Cases, Outline Business cases and Full Business Cases have been designed for use by all Capital Project Managers. This is based on the Government's 5-Case Business Case model.
- 3.6 The use of these templates will ensure uniformity and consistency across the Council, which in turn will lead to a standardised approach to Capital project management.
- 3.7 A series of training sessions are being rolled out across the Council to support project managers and to train/advise on the requirements of the new regime. This forms part of the induction process for all new budget holders and project managers, going forward.

4. Recommendation

- 4.1 The Committee review the Capital Governance Framework and consider the effectiveness of this approach in considering Capital Schemes for approval and inclusion into the Capital Programme.

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Appendices:

Appendix 1 – Capital Programme Governance Framework.

[Capital Governance Handbook-v1.1.docx](#)

Appendix 2 – A business case template with notes explaining the aims of each section and what should be included.

[151009-CP-BusinessCaseTemplate-v1.doc](#)