

Appendix 2

Capital Delivery Governance Framework

Finance and Resources PMO

Version: V3.0



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Executive Summary

A new Capital Delivery Governance Framework is to be implemented Council-wide. A standardized set of processes, governance, guidance and templates have been developed and are now being iterated. These will support the need for robust monitoring and controls, streamlined and agile delivery, and better reporting and escalation. This document captures that framework at a high level and will be updated as it is implemented.

The framework is intended to be facilitative and to support wider culture change across the organization – to empower project managers to drive delivery of their projects, support senior managers to have appropriate oversight and control over programmes of work, and to create and maintain robust portfolio management of the overall capital programme.

Investment in capital expenditure supports the Council to deliver on key priorities as set out in the Corporate Delivery Plan and also contributes towards the delivery of permanent revenue savings. However, in the current financial climate, it is more important than ever that the Council ensures that all of its capital expenditure, investments and borrowing decisions are prudent and sustainable, and that delivery is subject to robust management oversight and controls.

The recent economic environment has had major implications for the existing and future Capital Programme. In 2024/25, the Council undertook a fundamental review of the existing capital programme, removing or deferring a number of schemes which resulted in a reduction in the Capital programme, with a similar review to be carried out annually.

A new Capital Strategy was approved at Cabinet in February 2025 and sets out a high-level, long term overview of capital expenditure and capital financing and the approach for determining and delivering on the Council's capital ambitions. Implementation of the strategy will ensure that the capital programme agreed each year is deliverable and affordable, is in line with the Corporate Delivery Plan and Borough Vision and there is a clear framework in place for tracking progress and adopting an improved forward planning approach.

The Capital Strategy necessitates the need to review capital delivery processes and governance, to ensure the agreed capital programme is deliverable and affordable and a clear focus on forward planning. Alongside the new Capital Strategy, the Council also underwent a senior level restructure which significantly changed the senior structure realigned reporting lines. As such, a new governance and gateway process is being introduced, the main benefits of which are:

- An improved and consistent approach to decision making thresholds, processes, roles and responsibilities and ultimately delivery
- 'One version of the truth' to support financial monitoring and reporting on capital projects and programmes, with enhanced quarterly reporting
- A focus on overall strategic benefits of capital investment (including a standardised approach and templates for business cases)
- A 'centre of excellence' for portfolio/programme management, including training and support, assurance and monitoring/reporting
- Enhanced management controls via a new series of Tier 2 / Tier 3 Boards
- Enhanced alignment with 'business as usual' activity and other business processes (risk, strategic planning, budget and service planning, resource management, stakeholder engagement)
- Increased visibility of pipeline projects and lessons learned following completion of projects

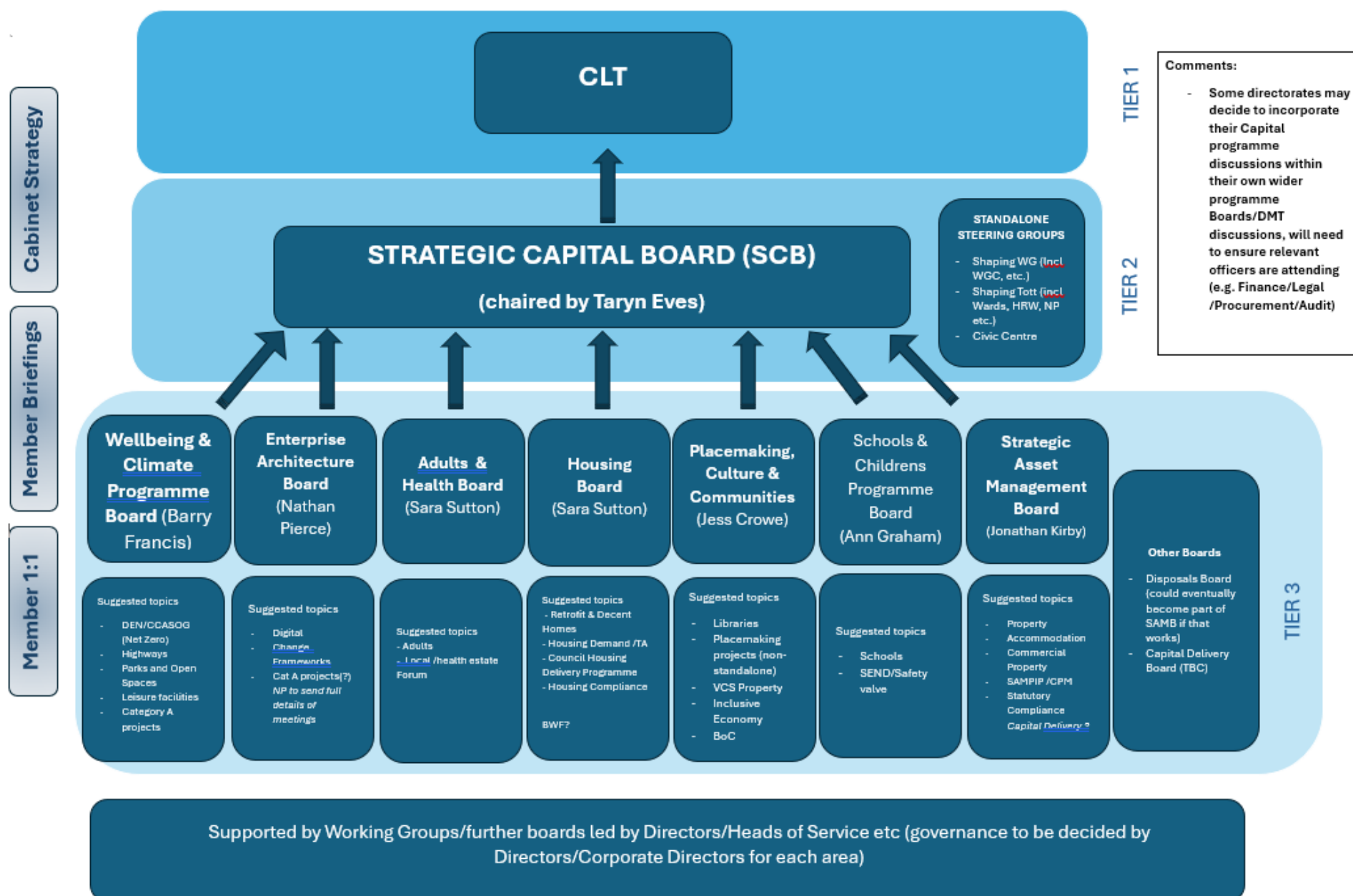
The Capital Delivery Framework has been developed in parallel with other strategic initiatives, including the Corporate Property Model and subsequent Strategic Asset Management and Property Improvement Plan 2023–2028 (approved by Cabinet in April 2023); and the Land and Property Disposal Policy (approved in June 2025). This framework will aim to create a more streamlined and effective governance model for capital oversight and approvals.

Key Challenges

Area	Previous Challenges	Resolution	Benefits
Forums and Meetings	Involvement, role and approval capabilities of key forums unclear	Strategic Capital Board and Tier 3 Boards Terms of Reference	Clear and transparent governance navigation
Reporting and monitoring	Information not effectively aggregated and analysed	Streamlined information flows to support new corporate structure with consistent reporting/templates and clear ownership from services	Streamlined, agile and summarized reporting
Planning	Project Plans are unconsolidated and inconsistent with a lack of pipeline transparency	Standardised templates based on tiering	Portfolio, resource planning enabled with clear milestones and clear indicators for success
Business Case	Information duplicated across documents/reports; or no formal documentation exists	Live document builds on itself with information based on tiering and up to date information	Less duplication, improved change control and clear governance
No “one version of the truth” for Capital Budget reporting	Different documents exist on budgets with different figures – does not allow effective capital monitoring or budget management	Clear standardized reporting using corporate tools and management templates	Streamlined, agile and summarized capital monitoring reporting
No process for early feasibility	Early feasibility costs are subsumed into capital costs which may not then progress	A feasibility process will be managed at Tier 2, with revenue funding available, to assess the project's viability before moving to the pre-pipeline stage.	Implement a clear and transparent process to enhance control and ensure the proper utilisation of capital budgets.
Defining Capital Programme stages of pre-pipeline, pipeline and delivery	There is a lack of clarity regarding the project's stage, approval status, and the viability of its success. Projects are inconsistent and disorganized.	Clear definition of each stage supported by documentation templates and clear governance mapping for approvals	Establish clear and transparent governance approval processes to enhance control and increase the chances of project success.

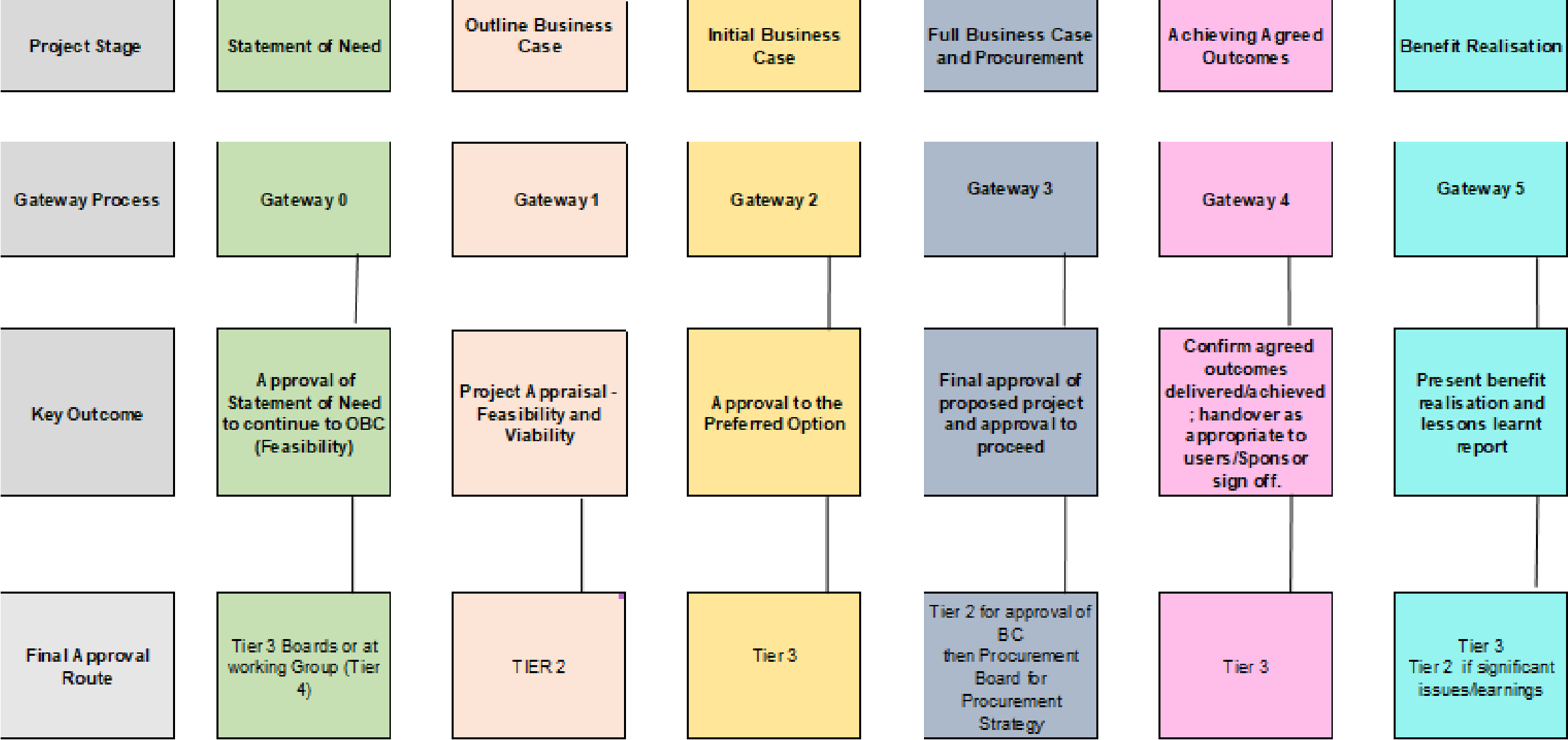
Delivery & Governance Model

- The **governance model below** describes how governance for projects is navigated, monitored and reported. This will include oversight of projects with relevant controls to minimise risk and capture / escalate / resolve issues and challenges. The governance model will allow PMO to implement standardised practices across the Council for Capital Delivery ensuring consistency, best practice and alignment all services. **Governance controls vary based on thresholds and triaging of programmes.**
- Gateway methodology** is followed for the standard lifecycle of all projects, which is aligned with the Council's delivery framework. The **delivery model outlines** the key steps, documents and approvals that projects must follow over the project lifecycle, based on a triage framework. The delivery steps may need to vary on occasion but would need agreement. The Delivery and governance framework follows Gateway/PRINCE2 best practices and adheres to relevant Council processes and standing orders.



Capital Delivery Lifecycle: What is it?

- All projects follow a standard lifecycle which is **aligned to the Council’s delivery framework and is based on Gateway/PRINCE2 best practice.**
- Each stage in the lifecycle is **aligned to delegations, standard templates and documents**, and governance appropriate to the scale of the project (which would be agreed at the initiation stage)
- **Gateway reviews are introduced at each stage** to ensure quality, review progress and mitigate risk.
- The process **mandates sharing / approval of key documentation, and formal approval from required stakeholders** to progress, including for change requests and variations
- Sponsor/client splits detail and identify responsibility at each stage of the project and promotes clear ownership and governance mechanisms.



Governance Model | Roles and Responsibilities

Sponsor: The Corporate Director ultimately responsible for providing resources support and strategic alignment for a project. A key overarching role on a large or complex capital project where the outcomes contribute towards larger strategic aims of the Council. Overall leadership on promotion, advocacy and initiation of new projects and programmes. Ongoing responsibility, throughout the project lifecycle, for securing financial resources for the project and releasing funds for delivery, strategic alignment with the Council's objectives, and stakeholder management including external partners, funders and members. No matter which delivery route is followed, the sponsor retains these key roles, including overall budgetary responsibility for project funding.

Senior Responsible Officer (SRO): The individual senior manager (often Director or Head of Service from the sponsoring directorate) accountable for a project or programme's success, ensuring it meets its objectives and delivery benefits.

User / Client: The Council department who ultimately accepts the project's outputs and therefore has a key role in project initiation, acceptance and feedback. A client department may take on direct project delivery (i.e. Housing Delivery) from the outset and throughout the lifecycle of a project, or it may hand this over to a specialist delivery team. The client must take a significant role in agreeing the business case justification for a project, and must be closely involved in gateway decisions at all stages. NB for complex projects with multiple end-users there may be multiple clients; in this case a lead client must be identified.

Delivery Lead: The Council department taking primary responsibility for execution, commissioning and completion of the project; instructing, procuring and holding a delivery contract and overseeing construction work (e.g. Major Projects; Highways; Housing Delivery; etc.) delivery, in cases with multiple clients or where project particulars require a lead to be identified (e.g. Corporate Property Model).

Project Delivery: Day-to-day management of the project, ensuring that the project is completed on-time, within budget and to the required quality standards. Regular reporting through highlight reports, and submission of exception reports and change request as needed. Procurement, including tendering and contract management. Overseeing construction work, ensuring it meets the required standards and specifications. Comms with internal stakeholders, including the sponsor (re: budget, overall strategic alignment and items which require external stakeholder engagement) and the client (re: specification or and acceptability of project outputs and handover). NB: this role can be carried out by the Sponsor, or Client, or specialist project management team (i.e. Major Projects), or it can be handed over from one to another at a stage in the project lifecycle.

Project Lifecycle: This is the process needed to take a project from project initiation, through agreeing an outline, then full, business case to authorise capital spend, and ultimately overseeing a delivery contract to project closure and acceptance of outputs.

Programme Management: Overall oversight and scrutiny of capital delivery, including ownership of PPM tools and processes. Setting standards required from key project elements, including business cases, gateway reports, highlight reports, exception reports and change requests; providing advice, guidance. Overall reporting to boards on project delivery, and escalation of key risks & issues, as well as tracking agreed mitigations. 'Critical friend' role to all of the sponsor, client, and project management leads at all stages in the project lifecycle. Training and upskilling for all areas and targeted capacity-building as required

Please note that the following pages outline high-level principles, which will continue to evolve as we further refine the capital framework; this will be taken back to Cabinet in due course

Governance Model | Documents and Templates

- All projects must start with the Statement of Need, which must be approved at Tier 3 boards. This document includes the strategic case for change and outline of alignment with strategic objectives – taking into account impact on MTFS proposals. The document will also identify the initial sponsor and key stakeholder. All projects must have an **Statement of Need** (or equivalent) approved via boards by a sponsor or Corporate Director.
- If approved, the Statement of Need will be developed into an Outline Business Case (OBC) to progress to feasibility stage – pending approval of any feasibility budget via Tier 2 board.
- Following approval of the Outline Business Case (OBC), a Project Initiation Document (PID) should be prepared. As the project progresses through the Feasibility stage and more information becomes available, the OBC will be refined into the Initial Business Case, and subsequently into the Full Business Case. Each stage of documentation will be subject to formal approval through Gateway Reviews, in line with the established delivery model.
- **The PID is a live document** which is updated, reviewed and approved at each applicable stage. Once the PID is live, all approved project changes must be continuously reflected in all impacted documentation.

Governance Model | Forums and Meetings

The Governance Map on page 5 outlines the proposed governance forums. There will be a degree of flexibility for services in the format of the forums for Tier 3 and below, however all Tier 3 boards will be required to discuss the following items as standard at each meeting:

- **Summarised portfolio level scrutiny** of budgets, risks / issues, timelines and change controls (ensure appropriate checks are in place at both an operational and strategic level)
- Approval of formal change control mechanisms as outlined and agreed upon in the project documentation.
- Summarised portfolio and key projects are reviewed and escalated as appropriate
- A standardised monthly reporting cycle is implemented across the Council (links to Reporting below)
- Approval of the project / programmes as outline at each of the Gateway stages (outlined on page 6), with relevant project documentation completed as specified

Governance Model | Reporting

- Project/programme managers produce **highlight / summary (project) reports** each month. These are reviewed by Commissioning Leads in internal Monthly Reviews and presented at **relevant boards/meetings** using appropriate tools available. This use of a consistent reporting mechanism will result in “one version of the truth” and will provide effective and efficient portfolio/programme reports
- The highlight reports will provide detailed data on high-risk (red-rated) and potentially contentious projects. Tier 2 and Tier 3 boards can then establish mechanisms for stringent oversight, such as forming cross-functional panels with stakeholder attendance as needed.
- Project/Programme managers will liaise with Finance colleagues to extract and present financial data in relation to Capital spend and MTFS for reporting to Tier 2 and Tier 3 boards.

Governance Model | Planning

- All projects have standard **detailed milestone plans as will be detailed in the Full Business Case (FBC)**
- All plans are subject to **formal change control**

Governance Model | Risks and Issues Capture and Management

- Risk and issue management is critical to ensure that projects / programmes are delivered on **time**, to **quality and scope** and within **budget**.
- Project risks and issues are tracked throughout the **entire project lifecycle** from Initiation through to Closure, and are reviewed on regular basis through a range of forums/tools which could include:
 - Weekly/Monthly by the Project delivery in project meetings
 - Monthly in project, programme, and portfolio reporting
 - In Tier 3 / 4 Boards (both project and programme level)
 - During Gateway Reviews as per the delivery model
 - In Lessons Learnt and Project Closure
- All projects / programmes **track risks and issues** using Haringey Council’s standard best practice.
- Commissioning Leads report risks ahead of each **Gateway Review** in order to fully inform stakeholders of potential impacts and mitigation plans.
- Key risks and issues are reported and **escalated** through the standard reporting practices to Tier 3/ SCB as appropriate

Governance Model | Pre-Pipeline

(Revenue) Gateway 0 – Statement of Need – This is the first presentation of a project opportunity and seeks endorsement from Tier 3 boards to develop an idea. The statement of need is an opportunity for early collaboration and steer from the PMO and programme board before resources are committed to the development of a business case. A workshop may follow an endorsed statement of need, to start the development of an outline business case

(Revenue) Gateway 1 – Outline Business Case – A capital project must clear respond to a strategic need or corporate objective. Building on the statement of need, the outline business case is developed with internal stakeholders to develop a rationale for the project. It will contain:

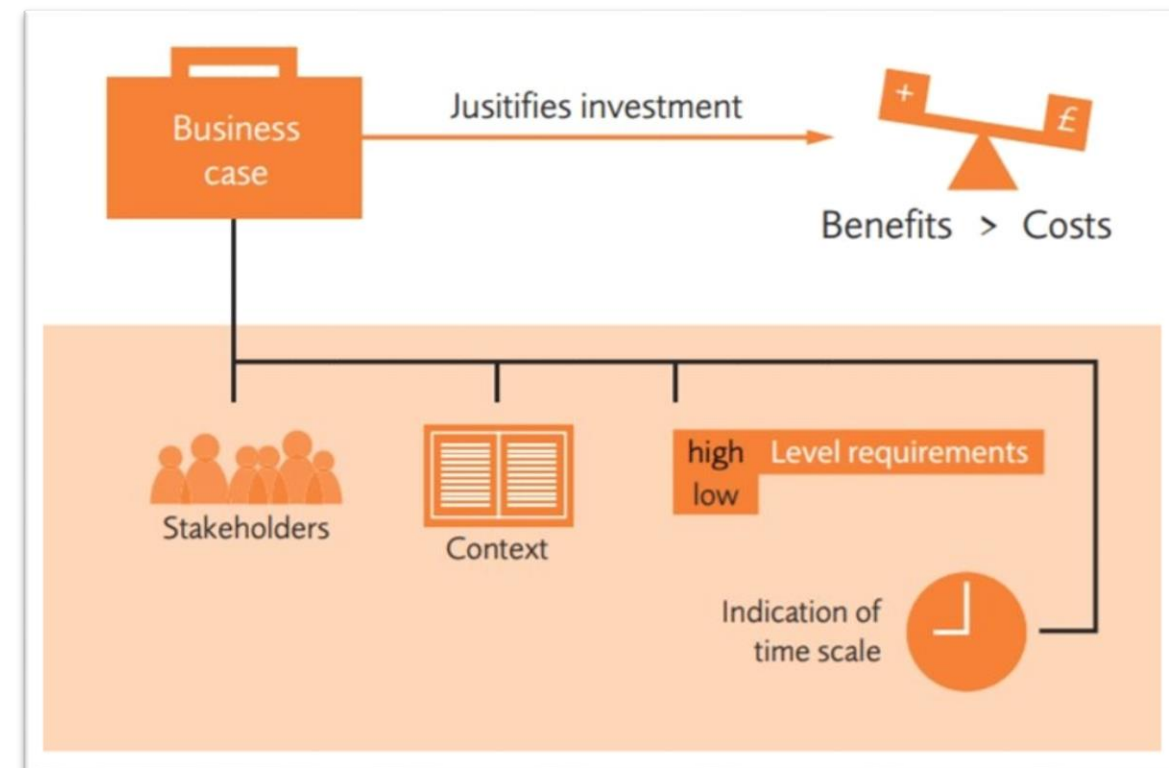
- A high-level options analysis identifying the options that best meet the Council's objectives, and those that have been discarded because they do not.
- at least three options to be explored for feasibility testing
- will seek to secure / ringfence funding for feasibility and viability testing from Strategic Capital Board
- a programme for the Strategic Capital Board to consider the Initial Business Case.

(Feasibility/Capital) Gateway 2 – Initial Business Case – The initial business case presents a preliminary, but detailed rationale for the proposed project. It will set out:

- An objective assessment criterion for testing the feasibility of a project
- an evaluation of options, supported by evidence, including an overview the benefits and risks of each option
- Recommend an option to progress to Full Business Case, based on a matrix of strategic fit, financial viability and benefit realisation
- Will seek to secure a budget and resource to develop a Full Business Case

Capital Gateway 3 – Full Business Case – A full business case is the final justification for investment and will enable the project to be added to the Capital Programme Pipeline. The full business case should include, not limited to:

- Detailed plan of the project option including proposed delivery plan and procurement strategy *NB: prior to approval of the FBC, the Procurement Strategy will be approved at Procurement Board.*
- Overview of costs, funding strategy and financial risks
- Equality and Health Impact Assessments and subsequent action plans, if relevant
- Developed benefits and risk analysis
- Resource and stakeholder management plan
- Transition plan, from project to business as usual



Capital PMO Support

It has been agreed that there is a requirement for PMO support for the Capital Framework governance in order to retain oversight and ensure that there is a consistent approach to approvals and processes. The level of PMO support will be dependent on the level of resources and governance available in the individual service areas. The PMO will be supporting the introduction of a Portfolio management approach.

PMO support will be provided in two phases:

Initially PMO will work with Corporate Leadership Team to work towards implementation of the governance framework including:

- Setting up initial boards
- Providing initial secretariat support for the Capital element of governance
- Providing templates and process maps
- Providing initial training in the form of “familiarisation sessions” for staff

The PMO will continue to provide permanent support of the Capital governance framework as below:

- Engagement begins with Statement of Need submission, triggering initial identification of sponsor / lead commissioner / user(s) and project delivery approach; continuing with support clarifying roles & responsibilities between sponsor/lead commissioner/users/project delivery throughout project lifecycle
- Standardised templates – statement of needs, business cases (initial/outline/full), highlight reports, programme reports
- Advice and guidance on governance routes and on business case completion (NB: clear distinctions between project/programme management responsibilities will be identified)
- Servicing for Tier 2, and elements if not all of Tier 3 Boards. This will include programme reporting and working with Corporate finance on quarterly financial monitoring
- Highlight reporting process and project panel reviews for high-risk or exceptional cases, with critical friend assurance role
- Training and upskilling in aspects of PPM; ‘Centre of excellence’ ensuring continued best practice, guidance and continuous service improvement
- Working with key partners (Finance, Audit, Risk Legal) to provide assurance on the capital programme
- For all new and in-flight projects, the **demand management process ensures that each stage is reviewed prior to the commencement of a project** to minimise risk, and ensure any omitted steps are re-evaluated.

APPENDIX 1

Templates (including those to be developed)

1. Gateway Cover Sheet
2. Statement of Need
3. Outline Business Case
4. Initial Business Case
5. Full Business Case
6. Project Initiation Document (PID) – <i>to be finalised</i>
7. Programme Plan – <i>to be finalised</i>
8. Cashflow – <i>to be finalised</i>
9. Risk Register – <i>to be finalised</i>
10.Exception Report/Change Request – <i>to be finalised</i>
11.EQIA
12.Project Closure report – <i>to be finalised</i>