

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: NORTH LONDON HEAT AND POWER PROJECT – RESOURCE MANAGEMENT STRATEGY

REPORT OF: PROGRAMME DIRECTOR

FOR SUBMISSION TO: PROGRAMME COMMITTEE

DATE: 13 JANUARY 2020

SUMMARY OF REPORT:

This report covers the proposed strategy for resource management on the North London Heat and Power Project.

RECOMMENDATIONS:

The Committee is recommended to comment on and note the approach set out in the Resource Management Strategy at Appendix A.

SIGNED:  **Programme Director**

DATE: 23 December 2019

1. INTRODUCTION

- 1.1. The North London Heat and Power Project (NLHPP) team are currently developing and implementing a programme manual – a suite of documents designed to guide successful delivery of the programme. Within this, a series of strategy documents will form the top level of the manual defining the challenges to be addressed, and the strategic approaches to meeting these. The initial set of strategies identified for development and their outline purpose is outlined in Table 1.

Table 1: Function Strategies being produced for the NLHPP Programme Manual

Strategy	Outline Description
Resourcing	Addresses the need for people, assets and funds
Health, Safety & Wellbeing	Considers all aspects of keeping all parties associated with the NLHPP safe and well
Technical Assurance	Addresses how the Authority will oversee the development of the technical solution and design development
Commercial	Considers the procurement and subsequent delivery of contract
Risk Management	Looks at the approach to risk on the programme
Monitoring & Control	Considers aspects associated with scheduling, controlling costs and reporting on the programme.
Information Management	Looks at the control of our information, data and knowledge
Stakeholder Engagement	Addresses the challenges associated with the range of stakeholders in the programme
Financing	Considers the challenges associated with planning, obtaining and managing the necessary financing for the programme
Social Value	Looks at the aspects of social and community benefits that the works will bring
Construction Management	Deals with the core construction activities and the challenges linked to interfaces, operational site working and logistics

- 1.2. These strategies will be provided to Members at suitable opportunities to enable an understanding of the challenges relating to these elements of the programme and how the programme management team will address them.

2. RESOURCE MANAGEMENT STRATEGY

- 2.1. This report presents the Resource Management Strategy. The strategy's purpose is to consider what organisation and resources will be required to deliver the programme successfully and how they will be deployed, shared and managed effectively.
- 2.2. The strategy highlights the challenges faced by NLHPP in securing appropriate resource to deliver the programme relating to:
- 2.2.1 People, including specialist skills;
 - 2.2.2 Assets that the Programme will use;

- 2.2.3 Systems, services and technology;
- 2.2.4 Financial resources needed to pay for the programme (note that this is covered by the Financing Strategy).
- 2.3. The strategy is included at Appendix A and covers the following points:
 - 2.3.1 the key challenges involved in resource management on a project of this type and scale;
 - 2.3.2 the strategic approach to meeting these challenges;
 - 2.3.3 the supporting plans, either in place or in development, that will progress the strategic approach;
 - 2.3.4 the risks associated with resource management and implementation of the strategy;
 - 2.3.5 the resources required to ensure that the strategy can be implemented; and
 - 2.3.6 the stakeholders for the strategy.

3. NEXT STEPS

- 3.1. As with all the NLHPP strategies, this is supported by a suite of management plans and processes which are in varying stages of development or implementation, but which detail the specific methods, systems and roles required to deliver our strategies. These management plans are now being developed.
- 3.2. The strategy will be reviewed on a regular basis and updated to reflect the changing environment of the programme and its external environment. Updates will be provided to Members as they are brought into use.

4. EQUALITIES IMPLICATIONS

- 4.1. This strategy has no direct implications on equalities, however the plans to be developed from this will give the Project the opportunity to set out a positive approach to managing equality, diversity and inclusivity.

5. COMMENTS OF THE LEGAL ADVISER

- 5.1. The Legal Adviser has been consulted and comments have been taken into account.

6. COMMENTS OF THE FINANCIAL ADVISER

- 6.1. The Financial Adviser has been consulted in the preparation of the report and comments have been incorporated.

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APPENDIX A: RESOURCE MANAGEMENT STRATEGY



Resource Management - Function Strategy

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	Author	Check & Review	Approval for Use
Name	Scott Borthwick	David Cullen	David Cullen
Role	Programme Office Lead	Programme Director	Programme Director
Signature			
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Rev. No.	Date	Description of Revision
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2	16/12/19	Finalised and signed version

Engagement Confirmation

Function	Role Support	Notes
Programme Director	C	Consulted
SRO	C	Consulted
SHE&W	C	Consulted
LEL	N/A	
Technical Advisor	N/A	
Technical Authority	C	Consulted
Programme Office	C	Consulted
Project Delivery	C	Consulted
Legal & Governance	C	Consulted

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1 Context and Vision

The North London Heat and Power Project (NLHPP) is the programme of works authorised by Development Consent Order (DCO) granted in February 2017 through which the existing energy from waste (EfW) plant at the Edmonton EcoPark will be replaced with a new Energy Recovery Facility (ERF). The programme of works includes provision of a Resource Recovery Facility (RRF) for reception and transfer of waste incorporating a public Reuse and Recycling Centre, and EcoPark House (EPH), a visitor centre which will be used to provide community / education space and back up office space. In preparing for and carrying out the works in the NLHPP programme, the management team is working closely with LondonEnergy Ltd (LEL) the operators of the EcoPark and the current EfW plant.

Create a waste management facility in which local communities take pride, which demonstrates value and is a model for public sector project delivery

The NLHPP leadership team have developed a vision for the programme, highlighted above. Each function of the programme organisation will play a role in delivering the vision and this document, the “functional strategy”, sets out the challenges to achieving the vision and the approach to overcoming them.

2 Purpose

This document is the function strategy for resource management. Its purpose is to consider what organisation and resources will be required to deliver the programme successfully, how they will be deployed, shared and managed effectively.

Programme resources include:

- People, including specialist skills;
- Assets that the Programme will use;
- Systems, services and technology.
- Financial resources needed to pay for the programme (note that this will be covered by the Finance Strategy).

The strategy will support the vision through efficient and effective use of resources that delivers the best value from them,

3 Starting Point

Each type of resource is at a differing level of maturity at the point of bringing this strategy into place. In the case of people, the client has formed an organisational structure, with key advisor organisations in place, and individuals fulfilling roles within the core management team. Systems and technology are being considered and deployed where feasible, but there remains substantial opportunity to enhance. Assets, such as office space and IT are providing a level of support to the team, but again, require enhancement to meet the long-term challenges.

4 Challenges

The programme challenges that this strategy will support the addressing of are:

Challenge	Description
Meeting funding requirements.	The Programme requires external funding (borrowing) to pay for the works, and must achieve the best value for the Boroughs, minimising the impact on the Borough Levy.
Delivery expertise	The Programme requires the procurement of contracts to provide specialist Advisor services and Contractors to deliver the physical works, which are not part of the client's existing capabilities.
Aligning Interests	There is a need to align the team to the vision and values for the Programme, defining what success looks like and allowing team members to understand their role in achieving successful outcome, exercising their expertise in the most appropriate manner.
Responsibility and accountability	Human resources within the Programme Organisation will need to be managed to ensure that they support and do not conflict with the aims and objectives of the Programme.
Access to specialist skills	The Programme Organisation will need to share its limited resources across all aspects of the programme and pull in extra specialist when needed.
Technology and Systems availability	There is a need for appropriate systems and technology to be available to deliver over the long-term and meet the requirements of teams in multiple offices and site locations.
Recruitment, Resilience & Retention	There is a need to recruit and retain staff over the long-term and provide back-up support in the event of short-term or long-term disruption to resources (e.g. staff departure, illness).
Office Environment & Services	The Programme Organisation requires assets in terms of office space, equipment, meeting facilities and IT to suitably work and collaborate.
Leadership access and availability	There is a need to ensure the Programme Leadership is visible, relatable and keeps the wider team informed on current issues and actions.
Organisational Integration	The Programme Organisation depends on external resource, particularly Programme Advisors, carrying out embedded roles within the client organisation. The fact that they are drawn from a sub-consultant organisation should not adversely impact the individual empowerment and performance. There is a need to create a "one team" approach while still being able to hold the Advisor accountable for the quality of the service provided.
Knowledge Retention	Effective transfer of skills and knowledge built up during the design/construction/commissioning phase into the subsequent operations.
Organisational Capability	There is a need to develop a Programme Organisation that is capable of managing the risks to the Authority; cost, time, quality and reputational.

5 Strategic Approach

The approach to meeting these challenges will be based around the following key areas:

Area	Explanation	Addresses
<p>Develop a long-term financing strategy and management plan</p>	<p>Financing will be acquired through the Public Works Loan Board (if successful, the Local Infrastructure rate Fund), with a profile reflecting the ability of the Boroughs to afford the Project Costs. There is also a backup option of bond financing. The financing mechanism, budgets, and accounting procedures are covered in Financing Strategy. The financial management, including expenditure approvals and reporting (external to the Programme) are covered in the Financial Management Strategy.</p>	<ul style="list-style-type: none"> • Meeting funding requirements. • Organisational Capability
<p>Develop a Vision and Values Statement.</p>	<p>Establish and communicate a programme wide vision to help define purpose, objectives and personal buy-in.</p>	<ul style="list-style-type: none"> • Aligning Interests • Organisational Integration
<p>Develop a qualified and experienced programme organisation.</p>	<p>Advisor contracts are in place to deliver services required for programme management, technical support (thermal and non-thermal works), legal, planning, communications. The contracts will be under the direct management of an Authority member of the leadership team who will be responsible for contract administration (task orders), monitoring of performance, alignment with service needs, and renewal of contracts when required.</p> <p>Works contracts are defined in the Delivery Strategy documents (for the whole Project and specifically for the ERF).</p> <p>The contracting approach for the individual Works contracts will be under the overall direction of the Contracts/ Commercial Lead and will be defined in separate documents.</p> <p>Skills related to H&S, environmental/sustainability management/employment relations/ construction logistics will be sources through the Programme Management Advisory contract.</p> <p>Operational support will be provided by LEL. The readiness to undertake operations after transfer to the new facility will be monitored through the</p>	<ul style="list-style-type: none"> • Delivery Expertise • Access to specialist skills • Organisational Integration

Area	Explanation	Addresses
	<p>Programme Status Review and Programme Board.</p> <p>BIM expertise/strategy is co-ordinated through the Programme Advisor with working group input from Technical Advisors.</p>	
<p>Develop Organisational plans (as part of the programme manual)</p>	<p>Develop programme documents which provide clarity on;</p> <ol style="list-style-type: none"> 1. Roles and responsibilities of individuals. Summary Plan required for Programme Organisation and key roles and responsibilities (Programme Organisation Plan). 2. Delegation/authorities derived suited to the empowerment of the roles, whilst still providing the Authority with the visibility/control of key decision-making and expenditure. This will be reflected in the approach taken within the Financing Strategy, agreed Project Execution Plans, Resource Management Plan. 3. Ensure clarity of the terms of reference for the Leadership Team. 4. Adapting the organisation to the current risk profile. 	<ul style="list-style-type: none"> • Organisational Integration • Organisational Capability • Responsibility and accountability • Aligning Interests
<p>Develop approach for operator engagement.</p>	<p>Involvement of Operator in the review process for the Contractor design. Development of a Commissioning Plan which brings Operator staff into a hands-on role in commissioning phase.</p>	<ul style="list-style-type: none"> • Aligning Interests • Organisational Integration • Organisational Capability
<p>Implement a collaborative environment for the organisation</p>	<p>The Programme Organisation will be based in Berol House initially. Project teams for the RRF and ERF will consider suitable location, dependent on the delivery programmes, and document in the Project Execution Plans. Possibilities exist for the ERF Team to be located within LEL Offices on the Ecopark. The RRF team, including technical Advisors, will consider co-location with the D&B Contractor after contract award in the Welfare Facilities/Offices constructed within the Laydown Area. Technical Advisors will provide their own IT equipment and software tools, when working in NLWA offices.</p>	<ul style="list-style-type: none"> • Leadership access and availability • Office Environment & Services • Technology and Systems availability

Area	Explanation	Addresses
	<p>The Programme will procure a Common Data Environment (CDE) for use by all parties to the Project. The use of this will be documented in the Information Management Strategy and Plan.</p>	
<p>Define team Responsibility and accountability requirements</p>	<p>The supply chain will manage their own human resources and the implications of deployment to the Programme (e.g. terms and conditions). The Programme will seek to establish simple, personal objectives and development plans for the Programme Organisation personnel that can either be managed directly through manager review within the programme or used to inform the development reviews of the parent company. Competence assessments for the Programme roles will be reflected into the parent company development reviews so that performance reviews and development needs are aligned with the needs of the Programme. Process developed through the Resource Management Plan.</p>	<ul style="list-style-type: none"> • Aligning Interests • Organisational Integration • Responsibility and accountability
<p>Develop a resource and resilience plan</p>	<p>The structures of the individual project management teams and supporting resources are covered in Project Execution Plans produced by the project managers. The Programme Management Office will maintain an overall Resource Management Plan for project key resources to identify the expected use of by each project within time periods.</p>	<ul style="list-style-type: none"> • Recruitment, Resilience & Retention • Knowledge Retention
<p>Enhance the internal organisational communication methods</p>	<p>Develop a section of the Communications Plan that develops wider team communications using;</p> <ul style="list-style-type: none"> • Programme team meetings with planned agendas to reflect the diversity of responsibilities/ contribution within the team. • Lunch and learn meetings reflecting range of skills and experience within the team. • Newsletters/bulletins. • Reporting structure and meetings, plus availability of minutes/actions. 	<ul style="list-style-type: none"> • Aligning Interests • Organisational Integration • Leadership access and availability

6 Supporting Plans

The following management plans and supporting documents will be required to implement this strategy.

Strategic Plan	Purpose	Description
Programme Organisational Plan	To provide clarity to all on the nature and structure of the team who will deliver the programme.	Sets out the structure, links, hierarchy and interfaces of the organisation and how the team will operate.
Financing Strategy	To provide clarity on the approach to ensuring financing is received for the programme.	The document will set out the challenges involved with financing a programme of this scale and duration and the approach to addressing them
Financial Management Plan	Addresses how the finances will be managed.	Sets out the controls, reports and methods needed to ensure close control over the financial aspects of the programme.
Resource Management Plan	Addresses how resource needs and demands will be identified, controlled and managed.	Sets out the practices to be used in managing resources throughout the programme.
Project Execution Plans	To set out specific project needs in their future phases.	To identify any specific resource requirements needed for projects.
Communications Plan	Addresses the need to communicate across a broad programme team.	Sets out the methods and means of agreeing and communicating messages and enhancing team knowledge.
Vision and Values Statement	To create alignment in expectation of all of the programme organisation.	A narrative on what the programme is all about designed to unite stakeholders and provide a common understanding.
Information Management Strategy and Plan	Method of management for Programme Information	Sets out in detail the systems and processes to be used for implementing the Programme's Information Management Strategy (e.g. approvals, transmission protocols, document naming)

7 Risks

Potential risks which threaten the successful delivery of this strategy are:

Description	Planned Mitigation(s)
Authority Governance may restrict freedom to implement desired resources and accountabilities.	<ol style="list-style-type: none"> 1) Stakeholder Engagement during strategy and plan development to include Authority members and advisors 2) Understand limitations/restrictions and where this introduces risks.
Desired culture and vision are not embedded	<ol style="list-style-type: none"> 1) Ensure leadership buy-in and visibility 2) Develop engagement plans to support the roll-out of key messages.

8 Development

This strategy is intended to be valid for the duration of the NLHPP programme; however, it is recommended that this strategy document and associated plans are reviewed periodically. This is to allow a check that new or emerging challenges and strategic opportunities continue to be addressed suitably. A roadmap will be developed as part of the programme organisational plan to provide for progressive development into the future.

9 Resources

In establishing and delivering this strategy and its subsequent management plan, some key resource requirements have been identified:

Description	Planned Mitigation(s)
People	Specialist support will be required in developing the leadership team and approaching any behavioural change needs in building a collaborative environment
Tools	Suitable electronic collaboration and communication tools will be required (e.g. document sharing and

10 Functional Stakeholders

A high-level summary of stakeholder interfaces is captured below. A full detailed stakeholder management plan with regards to this function will be prepared within the relevant management plans.

Stakeholder	Relationship
Programme Office	Engaged with in developing the resource management. Responsible for own functional aspects.
Project Delivery	Engaged with in developing the resource management. Responsible for own functional aspects.
Governance and Legal	Engaged with in developing the resource management. Responsible for own functional aspects.
Commercial	Engaged with in developing the resource management. Responsible for own functional aspects.
Finance	Engaged with in developing the resource management. Responsible for own functional aspects.
Technical Authority	Engaged with in developing the resource management. Responsible for own functional aspects.
Professional Advisors	Provision of and management of resources

Stakeholder	Relationship
Technical Advisors	Provision of and management of resources
Legal Advisors	Provision of and management of resources
Planning Advisors	Provision of and management of resources
Financial Advisors	Provision of and management of resources
Supply Chain/Contractors	Provision of and management of resources
Operator/LEL	Engaged with in developing the resource management. Responsible for own functional aspects.
Officers	Oversight of organisational structure and advice on governance and key resources.
Members	Oversight of organisational structure and approval of procurement for advisory contracts.
Public	No direct external contact