

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: MONITORING AND CONTROL STRATEGY

REPORT OF: PROGRAMME DIRECTOR

FOR SUBMISSION TO: PROGRAMME COMMITTEE

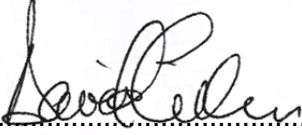
DATE: 29 JULY 2020

SUMMARY OF REPORT:

This report covers the functional strategy for Monitoring and Control on the North London Heat and Power Project.

RECOMMENDATIONS:

The Committee is recommended to note the approach set out in the Monitoring and Control Strategy in Appendix A.

SIGNED:  **Programme Director**

DATE: 17 July 2020

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 included in Table 1.

| Strategy | Outline Description | Presented to Members |
|--------------------------------------|--|-----------------------------|
| Information Management | Looks at the control of our information, data and knowledge. | October 2019 |
| Resource Management | Addresses the need for people, assets and funds. | January 2020 |
| Risk Management | Looks at the approach to management of risk | January 2020 |
| Health, Safety & Wellbeing | Considers all aspects of keeping all parties associated with the NLHPP safe and well | March 2020 |
| Technical Assurance | Addresses how the Authority will oversee the development of the technical solution and design development | March 2020 |
| Monitoring & Control | Considers aspects associated with scheduling, controlling costs and reporting on the programme. | July 2020 |
| Delivery and Construction Management | Deals with the core construction activities and the challenges linked to interfaces, operational site working and logistics. | July 2020 |
| Commercial | Considers the procurement and subsequent delivery of contracts | September 2020 |

| Strategy | Outline Description | Presented to Members |
|------------------------|---|-----------------------------|
| Financing Function | Considers the challenges associated with planning, obtaining and managing the necessary financing for the programme | September 2020 |
| Stakeholder Engagement | Addresses the challenges associated with the range of stakeholders in the programme. | November 2020 |
| Social Value | Looks at the aspects of social and community benefits that the works will bring. | November 2020 |

Table 1 - List of NLHPP Strategy Documents

- 1.2. These strategies will be provided to with Members at suitable opportunities to enable an understanding of these challenges of those elements of the project, and how the project team will address them.
- 1.3. Each management strategy must adapt to changing or emerging needs of the Project and, as such will be reviewed periodically. It is anticipated that the Project strategies will be submitted to the Programme Committee for review and noting approximately annually. Therefore, from December 2020 onwards, the review cycle will begin again.

2. MONITORING AND CONTROL STRATEGY

- 2.1. This report presents the functional strategy for monitoring and control, which is included in its entirety in Appendix A. The focus of this strategy is the recording, tracking and reporting on the progress of the programme, ensuring that the status is understood by stakeholders and that appropriate actions are being taken based on the information.
- 2.2. One of the key challenges highlighted within the strategy is that the North London Waste Authority (NLWA) does not have an existing project controls infrastructure that other major project developers might have in-house. As a consequence, plans and working practices are being developed utilising the expertise and experience of the NLWA officers and management advisors. As well as being a challenge to develop, this provides an opportunity to employ best practice in the development and deployment of a system tailored to the requirements of the Project.
- 2.3. The strategy covers the following aspects (with further detail being contained in the document, which is at Appendix A):
 - 2.3.1 Challenges – the initial challenges facing this function including the need to monitor a set of diverse projects, which vary in scope, value and duration, while providing reliable progress data to a range of stakeholders with a broad range of interest and understanding levels;

- 2.3.2 Strategic approaches – the range of means by which the NLHPP team will meet the challenges, including establishing a “Programme Office” to provide a centre of excellence for expertise, systems and materials that will support all aspects of the programme;
 - 2.3.3 Implementation plans – the next level of documents required to establish the monitoring and control function, including plans for reporting, project assurance, cost and schedule management.
- 2.4. The strategy then outlines some of the key risks, stakeholders and resource requirements that are considered in taking steps forward. A notable point is the need for specialist resources in the various disciplines that contribute to monitoring and control, and the programme has to date built up a highly qualified and experienced team to respond to this.
- 2.5. As with other strategy documents presented, this strategy cannot be delivered in isolation and will be implemented in conjunction with the other functional strategies and plans.

3. CURRENT STATUS

- 3.1. At the time of providing this strategy to Members, most plans have been established and the monitoring and control activities well established. As the programme moves to the next phase with the EcoPark South contract-award and the Energy Recovery Facility (ERF) procurement launch, the function is focussing on enhancing working practices to meet the new phases’ challenges and, in addition, build on the newly developed digital strategy to take advantage of automation and digital tools where feasible. This is demonstrated by the recent paper to Members requesting a delegation of authority to procure a “datahub” which will provide live and accessible information while automating significant parts of the monthly reporting cycle.

4. EQUALITIES IMPLICATIONS

- 4.1. The strategy accounts for the range of stakeholders that the monitoring and control function must address (recipients of reports and programme data, for example) and aims to provide accessible and complete information to all those parties.

5. COMMENTS OF THE LEGAL ADVISER

- 5.1. The Legal Adviser has been consulted in the preparation of this report and has no comments to add.

6. COMMENTS OF THE FINANCIAL ADVISER

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

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APPENDIX A: MONITORING AND CONTROL STRATEGY

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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 functional strategy for Monitoring & Control. Its purpose is to ensure that the status of the programme is always clear, understood and being actively managed. This strategy will enable the development and implementation of the means of recording, tracking and monitoring projects and their activities as they progress. This in turn will highlight issues, delays and challenges and allow the NLHPP management to be make decisions and take corrective actions based on current, accurate and quality-controlled information. This environment will be established within the Programme Office function.

In creating this environment, utilising best practice processes and taking opportunities to use digital tools, the strategy will particularly support the NLHPP vision in demonstrating value. This will be through early identification and reporting of issues that could otherwise lead to increased costs and by designing efficiency into the working methods.

3 Starting Point

As a small organisation for whom this is the only programme of works, the NLWA do not have a substantial supporting infrastructure for delivering major infrastructure works. As a consequence, the Programme Office and this strategy have been developed within an environment with very limited existing working practices for management of costs, schedule, reporting etc. The plans that will lead from this strategy are therefore predominantly being developed from the ground up, calling upon team experience and external practices, rather than building on existing client practices.

4 Challenges

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

| Challenge | Description |
|---|---|
| Lack of existing project infrastructure | The current state is that of an early project environment where information, processes & requirements are still being defined. |
| Long-term project timescale | The nature of the programme, with a variety of projects and across a significant timeframe, creates a level of uncertainty in the schedule. There will be different levels of maturity and confidence in the schedule for individual projects (lower for projects planned further into the future) and the programme will therefore have need of appropriate management techniques (e.g. quantitative schedule risk analysis, QRSA, and schedule stress-testing). |
| Multiple diverse projects and contractors working concurrently | The delivery strategy has a series of individual projects, which will likely have each be delivered by different contractors of varying lengths of engagement. |
| Lack of Quality, reliable programme data | To enable monitoring and decisions, data needs to be current, reliable and quality-controlled. |
| Meeting Stakeholder requirements | The programme is required to report to multiple stakeholders and needs the ability to adapt to differing requirements (whether in detail, timescales or type of information) and tailor project systems and data to support this. The variety of stakeholders also means there is a range of understanding and competency levels in project/programme management. This leads to a challenge around ensuring information is meaningful where stakeholders are unable to set their own requirements. Upskilling parties to engage more deeply with programme information will be a key aspect. |
| Complex interfaces | The programme consists of multiple projects, supported by multiple parties, including the NLWA, advisors, contractors, and LEL (as the operator) and involving interaction with various 3 rd Parties |
| Cost control and oversight | The programme will ultimately be funded by tax payers and therefore has accountability for setting and managing to the baseline budget. The programme requires a rigorous approach to monitoring and challenging costs and ensuring it delivers value for money. |
| Ensuring that a robust approach decision-making is in place | Ensuring that decisions can be made on the right information by the right parties and that performance and issues can be reviewed, debated and directed in a fact/data-based manner. |
| Extensive governance requirements | As a public entity, the NLWA has fixed and very specific requirements which must be adhered to, particularly in decision-making and auditability. The management of timescales and quality will be fundamental to this. |

5 Strategic Approach

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

| Area | Explanation | Addresses |
|--|--|--|
| Centre of excellence development (programme office) | Provide a centre of excellence, incorporating specialist skills and resources, calling upon expertise and materials from broader NLHPP organisations and external. | <ul style="list-style-type: none"> • Complex interfaces • Meeting stakeholder requirements • Long-term project timescale |
| Establishing a programme wide “project controls” system | Provides a consistent and reliable management method for tracking and monitoring delivery of project scope against – incorporating cost, schedule and risk. | <ul style="list-style-type: none"> • Lack of existing project infrastructure • Quality & reliability of programme data • Multiple diverse projects and contractors working concurrently • Cost Control and Oversight |
| Development of a robust reporting environment | Delivering a function which can provide and challenge regular, reliable and quality-controlled reporting information, and which can adapt and respond to additional ad-hoc requirements of stakeholders. | <ul style="list-style-type: none"> • Lack of existing project infrastructure • Quality & reliability of programme data • Meeting stakeholder requirements • Cost Control and Oversight |
| Consistency and standardisation in systems and methods | Establishing routine reporting cycles and standardisation of data reporting for all projects to provide consistent outputs to programme management. This includes with contractors. | <ul style="list-style-type: none"> • Meeting stakeholder requirements • Quality & reliability of programme data • Multiple diverse projects and contractors working concurrently |
| Baseline confirmation and change control | This will provide a solid basis from which to monitor scope, cost, schedule and risk, and against which to manage and control change. | <ul style="list-style-type: none"> • Long-term project timescale • Enabling decision-making and constructive challenge • Cost Control and Oversight |
| Define and document management practices | Develop a programme manual to capture all aspects of the programme strategies, plans and processes to ensure they are documented, agreed and available to all. | <ul style="list-style-type: none"> • Extensive governance requirements • Meeting stakeholder requirements • Lack of existing project infrastructure |
| Stakeholder engagement planning | Ensure that all plans and processes have associated engagement plans, and that objectives and requirements are well understood. | <ul style="list-style-type: none"> • Meeting stakeholder requirements • Multiple diverse projects and contractors working concurrently • Quality & reliability of programme data |

| Area | Explanation | Addresses |
|--|--|---|
| Integrate with all functions of the leadership team | Support all parts of the NLHPP by offering robust, but data-driven challenge to performance and decision-making while aiding development of cross-function management practices. | <ul style="list-style-type: none"> • Complex interfaces • Meeting stakeholder requirements • Enabling decision-making and constructive challenge |
| Digital exploration | Explore opportunities to enhance reporting and control systems with digital enhancements, e.g. for presentation of project data. | <ul style="list-style-type: none"> • Long-term project timescale • Lack of existing project infrastructure • Meeting stakeholder requirements |
| Quality assurance focus | Establish quality controls and assurance plans for all workstreams to ensure appropriate challenge to sources and confidence in outputs. | <ul style="list-style-type: none"> • Enabling decision-making and constructive challenge • Extensive governance requirements • Quality & reliability of programme data |
| Development of KPI measures | Development (and monitoring) of a suite of KPIs focussed on vital programme outcomes and objectives to help drive performance in these areas (e.g. social value aims) | <ul style="list-style-type: none"> • Meeting stakeholder requirements • Enabling decision-making and constructive challenge |

6 Supporting Plans

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

| Strategic Plan | Purpose | Description |
|---------------------------------|--|--|
| Scope Management Plan | Defines how scope is agreed and monitored. | Details the process for managing and tracking delivery scope. |
| Schedule Management Plan | Management methods for schedule data. | Details the methods and processes to be used in managing and monitoring schedule data within the programme and how the discipline will integrate with other disciplines. |
| Cost Management Plan | Management methods for cost. | Details the methods and processes to be used in managing and monitoring costs within the programme and how the discipline will integrate with other disciplines. |
| Risk Management Plan | Establish the programme wide agreed approach to managing risk. | The document describes the procedures for risk management across the delivery organisation and for future contractors. All members of the delivery organisation will be expected to follow these procedures. |

| Strategic Plan | Purpose | Description |
|---|--|--|
| Change Control Procedure | Defines the method for controlling change within the programme. | Sets out the identification, assessment, recording and approving of changes to the programme's baseline. Will include the delegation of authorities to allow for change to be approved within the management team. |
| Information Management 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). |
| Reporting and meeting Coordination Plan | To describe how management reporting will be delivered. | Explains the routine structure of reports and the aligned management meetings, including responsibilities for drafting, compiling and reviewing. |
| Decision Management Protocol | Defines the method for decision-making within the programme. | Details the method for identifying, tracking and escalating decisions required to deliver the programme. |
| Issue Management Plan | Method of management for Issue response. | Details the method for identifying, tracking and resolving issues that arise during delivery of the programme. |
| Programme Manual | To provide a single repository for all management documents. | Compiles all strategies, plans and processes, into a single coherent structure to provide a single view of how the programme will be managed and delivered, enabling accessibility for all colleagues. |
| Task Order Process | Defines how scope is packaged and let. | Details the process for raising and defining scope for agreement by the NLWA and detailing the control requirements, content quality expectations and how this process interfaces with change control. |
| Governance Plan | To define the broad governing requirements for decisions and approvals. | Detailing what aspects of the programme need what approvals, from whom, and what external governing arrangements affect the programme. |
| Project Assurance | To define the project life-cycle and assurance requirements. | Details the consistent stages and gates that all projects will progress through, and the requirements each must demonstrate to do so. |
| Lessons Learned Plan | To support continuous improvement. | Detailing mechanisms by which the project will capture and use feedback from its own work and from externally to continuously improve. |
| Commercial Management Strategy and Plans | To ensure understanding of commercial practices and enable interface with monitoring and control function. | Detailing approaches and processes for managing procurement and subsequent contract administration, including a need for information management, data reporting and performance monitoring. |
| Technical Assurance Strategy and Plans | To ensure understanding of assurance and technical management | Detailing approaches and processes for managing scope and technical delivery, including a need for information |

| Strategic Plan | Purpose | Description |
|----------------|--|--|
| | practices and enable interface with monitoring and control function. | management, data reporting and performance monitoring. |

7 Risks

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

| Description | Planned Mitigation(s) |
|---|---|
| Lack of engagement from programme stakeholders | <ol style="list-style-type: none"> 1) Targeted engagement, appropriate for level of involvement with the discipline(s), interfacing with the broader programme Stakeholder Management Plan. 2) Clear communication of purpose and benefits to all. 3) Engagement of leadership team with strategy and plans to ensure that they act as champions of the function with other stakeholders. 4) Clear ownership for plans and processes to ensure point of contact and responsibility to ensure availability of support. 5) Ensure systems and processes are simple and easy to use, and automated where plausible. |
| Inadequate implementation of management plans | <ol style="list-style-type: none"> 1) Ensure formal approval and leadership buy-in for the management plan – engage with all stakeholders in its development. 2) Consider implementation and engagement as part of the plan development. 3) Targeted engagement, appropriate for level of involvement with the discipline(s). |
| Change in discipline experts (loss of knowledge) | <ol style="list-style-type: none"> 1) Ensure comprehensive plans and processes are documented to support resilience and handovers. 2) Develop cross-discipline team whereby colleagues can pick up more than one role. 3) Ensure forward looking resource planning to allow handover plans to be developed and implemented effectively |
| Programme duration could lead to obsolescence of project tools, processes and technology | <ol style="list-style-type: none"> 1) Review plans, processes and supporting technology regularly. 2) Maintain awareness of external opportunities and technology change. 3) Provide a movement/change in team resource at suitable intervals to introduce fresh ideas and views. |
| Requirements expectation (lack of existing infrastructure and expertise) | <ol style="list-style-type: none"> 1) Engage functional teams and leaders in early stages to help develop their discipline understanding. 2) Regular engagement with report/data outputs to ensuring understanding by others and to gather feedback. 3) Agree key reporting requirements early in delivery to standardise information and reporting and establish requirements within task orders/procurement documentation. 4) Creating standardised templates for reporting requirements |

| Description | Planned Mitigation(s) |
|---|---|
| Public Sector Decision-Making Requirements not being followed. | <ol style="list-style-type: none"> 1) Decision-Making protocols documented and implemented. 2) Training and briefing in governance arrangements. 3) Monitoring, reporting and auditing practices implemented. |
| Poor quality of input data | <ol style="list-style-type: none"> 1) All PO colleagues to be proactively involved in quality control in receiving data/inputs and in providing challenge to sources. 2) Train contributors in the quality requirements for risk data and maintain feedback loop as reviews continue. |

8 Development

This strategy is intended to be valid for the duration of the NLHPP programme. However, it is recommended that the strategy and associated plans are reviewed periodically (ideally every 6 months) to check that new or emerging challenges and strategic opportunities continue to be addressed suitably. Each plan under development will set out a future road-map to support continuous development and improvement of the disciplines.

9 Resources

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

| Resources | Description |
|---------------|--|
| People | <ul style="list-style-type: none"> • Specialists in each discipline (i.e. cost management, schedule, project controls, reporting, change management) |
| Tools | <ul style="list-style-type: none"> • Primavera for schedule management • Cost system • (automated) reporting tools • Collaboration space for receiving, coordinating and publishing materials. |

10 Functional Stakeholders

A high-level summary of stakeholder interfaces is captured below. A full detailed stakeholder plan with regards to each discipline will be prepared within the relevant management plans. The relationship describes the role that the Programme Office will play in support to the relevant stakeholder group.

| Stakeholder | Relationship |
|-----------------------------|--|
| Project Delivery | Receiving inputs from and providing discipline support and challenge to. |
| Governance and Legal | Provision of monitoring data and reports to enable compliance to governance in all activities (e.g. member reporting, change control and decision-making). |
| Commercial | Alignment of cost focussed practices and providing support on implementation and delivery of tendering processes. |

| Stakeholder | Relationship |
|---------------------------------|--|
| Finance | Receiving guidance on accounting/finance rules and practices, provision of reliable, structured and assured cost data. |
| Technical Authority | Receiving inputs from and providing discipline support and challenge to. |
| Professional Advisors | Establishing protocols for advisors to work to, receiving inputs from and providing discipline support and challenge to. |
| Technical Advisors | Establishing protocols for advisors to work to, receiving inputs from and providing discipline support and challenge to. |
| Legal Advisors | Supporting the establishment of protocols for advisors to work to, receiving inputs from and providing discipline support and challenge to. |
| Planning Advisors | Supporting the establishment of protocols for advisors to work to, receiving inputs from and providing discipline support and challenge to. |
| Financial Advisors | Supporting the establishment of protocols for advisors to work to, receiving inputs from and providing discipline support and challenge to. |
| Supply Chain/Contractors | Supporting the establishment of protocols for contractors to work to, receiving inputs from and providing discipline support and challenge to. |
| Operator/LEL | Supporting the establishment of protocols for advisors to work to, receiving inputs from and providing discipline support and challenge to. |
| Officers | Receiving feedback on requirements (on reports/data expectations), providing reliable, assured and consistent materials to. |
| Members | Receiving feedback on requirements (on reports/data expectations), providing reliable, assured and consistent materials to. |
| Public | Support to the stakeholder engagement function in developing public engagement approach and supporting in delivery as required. |