

MAJOR PROJECTS BOARD



TERMS OF REFERENCE

OVERVIEW

Section 3 of the Treasury Act 1985 states that it shall be the duty of Treasury to supervise and control all matters relating to the financial affairs of Government. The Procedure Notes for the Management of Construction Projects (issued originally by Treasury 2012 and updated in 2023) are also included under Section 3 of the Treasury Act 1985, form part of FPNC.02 Capital Procedure Notes, of the Financial Regulations, Financial Directive C: Buying and Making Payments. A hyperlink to these Notes is included below:

[http://rheynnfyys/Employee/Allowances/Financial%20Regulations/02-05-23%20update%20Procedure%20Notes%20for%20Management%20of%20Construction%20Projects%20\(V4\)%20Apr%202023%20\(002\).pdf](http://rheynnfyys/Employee/Allowances/Financial%20Regulations/02-05-23%20update%20Procedure%20Notes%20for%20Management%20of%20Construction%20Projects%20(V4)%20Apr%202023%20(002).pdf)

The Major Projects Board was requested by the Council of Ministers to be established as an advisory Board reporting to Treasury and the Council of Ministers to oversee projects in the annual or future capital programme with a value in excess of £3 million or with the potential to be of high risk or high profile.

Sponsored by the Treasury the Board will advise on and challenge the appropriateness, validity and deliverability of projects and monitor the delivery as well as overseeing the gateway approvals for project stages. It will be an oversight rather than a delivery body.

Key activities in relation to major projects:

- The Board will provide a commercial, expert oversight of the critical elements of major projects' stages and will provide advice and commentary on proposed projects.
- The Board will also consider the economic impact and delivery objectives of projects aligned to the Island plan.
- It will ensure proper consideration of need and deliverability of capital projects for recommendation to Treasury as part of Project Development Fund bids process.
- Provide a gateway approvals process and project monitoring for capital projects.
- Strategically consider risk including strategic appropriateness, financial risks (including optimism bias), capacity implications and deliverability of proposed projects.
- Set and review KPI's and appropriate measuring metrics to monitor and report on project performance.

- Producing monthly and/or quarterly reports on performance to the Council of Ministers and The Treasury from data supplied by Departments.
- Safeguarding the reputation and values of the Isle of Man Government and supporting governance and financial regulations compliance.
- Ensuring that projects contribute to the "Island Plan" and future growth.

GOVERNANCE

Initially the Board will be established with the Chair only to allow appropriate recruitment but it is the intention that long term the Committee will consist of three expert advisers with each having at least expertise in either of the following:

- Construction/engineering
- Finance (ideally in a construction or project delivery environment)
- Quantity surveying

Government Officers will include the following or equivalent delegated officers:

- Executive Director Financial Governance or the Chief Accountant
- Director of Strategic Asset Management and Valuations
- Senior officer from the Attorney Generals Chambers
- Senior officer from the Department of Infrastructure
- Note: attendance may be delegated where appropriate to a deputy officer.

Meetings will be held on a monthly basis with an extra annual meeting once a year in line with the Capital budget process.

WORKSTREAMS

Capital Business Cases/Approvals

- New Business Cases – Presented by the Director of Strategic Asset Management and Valuations or Capital Projects Controller to interrogate, consider and evaluate prior to endorsing its ongoing progression to Treasury. The Major Projects Board may invite Departmental representatives to attend Committee meetings to present their case where required.
- Existing Business Cases – Presented by the Director of Strategic Asset Management and Valuations or Capital Projects Controller to update or amend business cases that have been previously considered where additional information is being sought, concurrence has been refused or amendments have been requested.
- Approved Business Cases/Updates – Continuing progress recorded and followed once established within the capital budget. Quarterly update reports available from the Capital Projects Controller and from the relevant Accountable Officer or CPU.
- Reporting of progress to Treasury and the Council of Ministers – will be on a quarterly basis as a RAG report with highlight/exception commentary in relation to budget and timeliness.
- Significant bids to Project Development Fund – will be assessed by SACIC which will consult with the Major Projects Board in relation to deliverability, appropriateness and affordability and then make a combined recommendation to Treasury and then Council of Ministers.
- The Board will review submissions by Departments - for gateway approvals in line with the Capital Procedure Notes.

- The Director of Strategic Asset Management and Valuations and the Capital Projects Controller - will update, prepare and present the next five years Strategic Infrastructure Needs Assessment to SACIC and the major Projects Board prior to the budget bids process each year and will use this to support prioritisation of any new bids.

REPORTING MECHANISM

Minutes will be taken at every meeting. Decisions and outcomes will be fed back to Departments and Treasury accordingly. The Director of Strategic Asset Management and Valuations will be responsible for ensuring those reports or business cases which receive Major Projects Board endorsement are presented to Treasury for approval in a timely manner.

Amendment Approved:

Updated:

Approved:
