

# GUIDELINES FOR THE DEVELOPMENT OF DIOCESAN PROPERTY

Amendment 2/5/11 of Bishop in Council 28<sup>th</sup> September 2010

## PROPERTY GOVERNANCE ASSUMPTIONS

### 1

The Diocese consists of 3 differing organization types –

**a) The ecclesial organization** operating directly under the Bishop in Council and having the Wangaratta Diocesan Trustees [and WDT NSW] as its legal face. Liability rebounds to the Trustees  
**b) Associations incorporated under State legislation** – essentially the 6 Retirement Villages – which have their own legal identity under their own Constitution – but their operations take place on land owned by the Trustees. Liability is limited to the incorporated association. Power to borrow etc can be limited by their Constitution and made subject to the consent of members.

Of the Associations both St Johns Village and Kellock Lodge stand out by the size of their operation and their continuing development opportunities.

**c) Companies incorporated under Commonwealth legislation** – essentially the schools – which have their own legal identity under their own Constitution – and whose operations take place on land they own. Liability is limited to the company. They have power to borrow etc.

Note. Christ the King Cobram is an incorporated association owning its own land and hence is to be treated under this category.

### 2

## DEVELOPMENT GUIDELINES WITHIN THE ECCLESIAL ORGANIZATION

### 2.1

- a) development projects can be initiated by a Ministry Unit, Agency or the Registry
- b) development proposals will be submitted in the standard format to the Registrar for consideration to ensure that submission contains all necessary information
- c) application to incur debt is to be submitted if required
- d) the Property Committee will make an initial assessment of the project
- e) the Property Committee will make a recommendation to Bishop in Council in regard to the suitability and feasibility of the project prior to the project design and delivery phase
- f) Bishop in Council will consider recommendations and either approve or reject the proposal in concept form
- g) If approval is given the project can move to design and delivery phase
- h) projects will be monitored at key intervals by the Property Committee and Bishop in Council as outlined in (2)

### 2.2

The **Property Committee** is an advisory body to Bishop in Council with **Bishop in Council exercising overall authority**. Bishop in Council will delegate specific roles to the Property Committee and Registry as necessary to facilitate the implementation and oversight of property development projects.

### 2.3

A **Governance Group** will be appointed to oversee each property development project. The functions of this group will include –

- a) Internal approval for the project to proceed on completion of due diligence
- b) approved authority for key project documentation and stages
- c) ongoing review of the risk profile of the project

- d) a conduit for stakeholder groups to make representations about the project
- e) attendance at various strategic meetings
- f) reporting to Bishop in Council and the Property Committee on progress against the project delivery plan
- g) media responsibilities if necessary

Larger or more complex development projects will have a Governance group consisting of the major stakeholders.

Smaller, Parish initiated projects will have a Governance group appointed by the Parish Council. Diocesan oversight and risk management of these smaller projects will occur through the standard approval and accountability process.

The Governance group will be responsible for driving the initiation and design and delivery phases of the development with assistance of Diocesan staff, strategic project managers and other expertise as necessary.

## 2.4

The **Wangaratta Diocesan Trustees** as the legal owner are required to execute legal documents. This will occur in as part of the development procedure and will ensure accountability and transparency.

## 3.

### DEVELOPMENT BY THE INCORPORATED BODIES

- a) The Board of the incorporated body will initiate development projects.
- b) In terms of process the Board and its relevant Committees will replace the Property Committee and Finance Committee where mentioned in the Property Development Procedures **[PDP]** detailed later on in this document. This said the Board will be guided by these procedures as they develop the project.
- c) The Board will seek Bishop in Council approval for all development proposals which are above \$100,000 in value and/or will require borrowing.
- d) **Bishop in Council approval is required** -
  - i) for the project in its concept form. The project will be justified by the Board using the criteria outlined in 2.1.2 of the PDP.
  - ii) after completing the detailed planning which will draw out the feasibility, the financial aspects, actual borrowing needed, and a more complete assessment of the risks.
- e) The Board will have the prime role in monitoring at the other key intervals outlined in (2)
- f) Bishop in Council reserves the right as part of its general oversight to take control of the project if the board is failing in the task of properly monitoring and administering it.

## PROPERTY DEVELOPMENT PROCEDURES

The procedure has been developed to provide a standard process for dealing with property development projects in the Diocese.

The procedure provides the framework for submission, consideration, approval and management of approved development projects. It must be followed.

The Registrar will provide guidance in these matters at the early stages of project initiation to ensure flexibility can be provided for smaller projects.

### 2.1

The framework has two phases – 1) **Project Initiation** and 2) **Project Design and Delivery**

#### 2.1.1

##### PROJECT INITIATION PHASE

This stage deals with the proposal in **concept form**. This phase must be completed before the project proceeds to the next stage. This stage ensures 1) that the project is aligned to the mission goals of the Ministry Unit, Agency and the Diocese and 2) that it is feasible and life giving in its outcomes

#### Step 1 Project Identified

##### Actions

- . Ministry Unit or Agency identifies a potential project to develop land or buildings
- . Vision and concept shared with the Regional Archdeacon who will discuss it with the Bishop and Registrar to ensure the project is aligned to mission objectives
- . Vision workshops are conducted with stakeholders to develop a project mission statement that will underpin the project, confirm the business drivers and ensure the project meets Diocesan criteria
- . Identification of environmental sustainability issues
- . Identification of options to achieve the project goal
- . Contact the Registrar to advise of the intent of the project and seek assistance if necessary
- . Obtain copies of relevant documentation – eg property deeds
- . Engage the necessary expertise to develop concept plans and a broad feasibility study

#### Step 2 Develop a Business Case

##### Actions

- . Develop **critical success factors** (see below)
- . Identifying and analysing various options to achieve the project
- . engaging of specialist business case and financial consultants
- . identification of stakeholders and development of a communications strategy
- . establishment of appropriate project governance structure
- . risk management workshop and analysis programme including insurance
- . undertake high level investigations into site conditions and engineering services
- . assess the various project delivery models available
- . base finance and contract structures on project risk profile
- . confirm funding sources

**Critical success factors** are defined as those elements which must be achieved to ensure that the project will succeed. In the context of the Diocese these would include –

- . confirm core missional objectives
- . timing and staging of the work
- . Environmental sustainability
- . thorough analysis of options and selection of optimum development model
- . identification, engagement and agreement of stakeholders
- . consistency with culture, values and policies
- . minimization of operational disruption / site management policies and procedures
- . risk management strategy including servicing any loans
- . effective and detailed project planning regime
- . obtaining the necessary approvals
- . contract choice to achieve the outcome whilst minimizing risk, disruption and cost

### **Step 3 Conclude Project Initiation Phase**

#### **Actions**

- . document all findings against each phase
- . identify outstanding areas of investigation which may be carried over to the design and delivery phase
- . update risk analysis based on findings
- . make recommendations on the preferred option based on the business case analysis, critical success factors and funding sources

#### **2.1.2**

#### **Criteria to be used by the property committee and bishop in council for assessing and approving development projects**

- . does the project promote ministry development and mission?
  - . has there been adequate consultation about the project and opportunity for stakeholder input?
  - . have all relevant options for the development been explored?
  - . does the project comply with any existing master plans or projects?
  - . How will the project affect the future flexible use of the site / what are the options for adaptability?
  - . Is funding required? Has it been approved?
  - . does the project fit the current risk profile of the ministry?
  - . is the project dependent on partners? If so are such partnerships sustainable? What are the risks associated with these partnerships?
  - . is the project environmentally sustainable?
  - . does the business case stack up and how will this contribute to the financial health of the ministry in the short and longer terms?
  - . have adequate resources and expertise been assigned to the project to ensure its success?
- Has the project delivery model been specified?

## 2.2

### PROJECT DESIGN AND DELIVERY PHASE

This stage moves the project from a concept to the implementation stage where detailed design, project planning and stakeholder consultation takes place.

#### Step 1 Approval to proceed

##### Actions

- . the detailed proposal is sent to the Registrar in standard format (Appendix A)
- . Registrar confirms that the project complies with policy and has been provided in the correct format
- . the Finance Committee assesses the financial aspects and feasibility of the proposal so as to provide advice to the Property Committee and a recommendation of financial viability to the Bishop in Council.
- . the Property Committee assesses the proposal and provides a recommendation to the Bishop in Council
- . the Bishop in Council on receiving the recommendations of the Property and Finance Committees, if it agrees, approves that the proposal proceed and where necessary give permission to incur debt

#### Step 2 Project Start up

##### Actions

- . Project managers appointed
- . project management plan developed
- . preparation of contracts for contractors and consultants involved in the project sent to the Registrar for execution by the Trustees
- . finalize project management and supporting plans
- . refine meeting and reporting framework
- . continue to identify risks and issues as part of the initial stakeholder consultation and to review the risk management plan
- . progress discussions with the builder as to delivery methods

#### Step 3 Concept Design

##### Actions

- . develop project control framework
- . architects or designers prepare room data sheets and complete a concept design after consulting relevant stakeholders
- . Governance group approves concept drawings
- . detailed services engineering brief provided by services engineer
- . identify specialist design consultants
- . preliminary selection of fixtures, fittings, and finishes
- . conduct workshops on Initial Risk, Value Engineering and OHS Risk Assessment
- . cost plan and initial budget from the quantity surveyor
- . master programme updated
- . internal and external audits completed
- . concept design stage report drafted and approved by the Governance group and submitted to the Registrar for consideration.
- . the Property Committee reviews and approves to enable the project to proceed to detailed design

#### **Step 4 Detailed Design**

##### **Action**

- . confirm concept design parameters are achievable throughout the detailed design phase
- . co-ordinate the design process to ensure detailed issues important to relevant users are addressed
- . conduct regular design phase meetings
- . confirm functional layout of the design and co-ordinate other specialist design groups compliance issues associated with the design
- . Quantity Surveyor provides a cost update and a revised budget in accordance with the detailed design
- . Governance group approves the detailed design and budget
- . the Property Committee reviews and recommends to Bishop in Council
- . where necessary additional debt and design changes approved by Bishop in Council
- . Master Development Programme updated
- . Detailed design stage report is submitted to the Registrar
- . plans submitted to the relevant authorities for consideration and approval

#### **Step 5 Manage Project and Construct**

##### **Actions**

- . request tenders / expressions of interest
- . Governance group evaluates tender responses, recommends the selected respondent (if any) to Bishop in Council for consideration and agreement and for approval to commence the works
- . regularly review progress on site
- . conduct regular construction phase meetings to ensure the project is being well managed and work completed
- . review and monitor programme progress and costs
- . assess variations, claims for payment and administer the contract
- . undertake commissioning inspections with contractors
- . inspect works at practical completion to confirm scope is completed
- . project control group (if formed) reports are submitted along with updated cost and programme plans

#### **Step 6 Occupation**

##### **Actions**

- . determine relocation needs
- . evaluate, recommend and award contract for relocation contractor
- . relate and occupy
- . manage user occupation

#### **Step 7 defect and Post Occupancy**

- . review defects on site
- . report issues associated with post occupancy and confirm they have been addressed
- . complete documentation for the project
- . complete final inspection at the end of the defect period

## **Appendix A: Development Submission Format**

Property development proposals must be submitted in the following format.

- 1. Submission Date**
- 2. Name of Ministry Unit or Agency**
- 3. Project Title**
- 4. Description of the Project (500 words or less)**
  - What is the nature of the development?
  - Property Details
  - Details of project brief
  - Master Plan Outline
  - How does the project respond to current ministry needs and circumstances?
  - Planning context and constraints
- 5. Alignment with mission (300 words or less)**
  - How does the project support the mission and goals of the unit / agency
  - What benefits strategic opportunities will the project provide for ministry
  - How will the project compliment existing ministry
  - How will the project contribute to ministry sustainability?
- 6. Design Concept**
  - Include concept drawings
  - Demonstration of how the project will comply with the Diocesan Green Building Policy
- 7. Project Planning**
  - How will the project be managed?
  - Indicative project timetable and milestones
  - Intended model of building contact
  - How will the project be funded?
- 8. Feasibility and Business Case**
  - Project costing including all specialist services (e.g. architects, surveyors, project management, builders)
  - Details of project start-up costs
  - Latest financial report for the ministry unit / agency and financial projections for next 2 years
  - Financial impact on completion of the development and how any surplus funds will be allocated
- 9. Submission must be signed off by the Rector and Chair of Parish Council or School/Agency Board**