

**COUNCIL RESOURCES OVERVIEW AND SCRUTINY COMMISSION
HELD ON 18 JULY 2005
(FROM 5.30 PM TO 7.00 PM)**

PRESENT: Councillor Andrew Jones in the Chair. Councillors Broadbank, Clark, Fox, Harrison, Elwyn Hinchcliffe and Powell.

Late Arrivals: None.

Early Departures: None.

13/05 - APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES:

Apologies for absence had been received from Councillors Peter Phillips and Theakston. Notification had been received that Councillor Broadbank was to act as substitute for Councillor Hoult.

(5.30 pm)

14/05 - DECLARATIONS OF INTEREST: There were no declarations of interest.

(5.31 pm)

15/05 - MINUTES: Referring to Minute 09/05 the Chair reported that the matter in relation to the Audit Committee would be considered at the October meeting of the Commission. The Minutes of the meeting of the Commission held on 13 June 2005 were approved as a correct record and signed by the Chair.

(Four Members voted for the motion and there were three abstentions)

(5.32 – 5.38 pm)

16/05 - EXEMPT INFORMATION: There were no exempt information items.

(5.32 pm)

17/05 - PUBLIC ARRANGEMENTS – QUESTIONS: There were no questions to consider.

(5.32 pm)

**SCRUTINY MATTERS AND REVIEWS UNDERTAKEN BY THE
COMMISSION**

18/05 - REQUESTS FOR INCLUSION OF ITEMS IN FUTURE WORK

PROGRAMME: There were no requests from Members, members of the public, Council or Committees for items to be included in the Commission's future work programme.

(6.40 pm - 6.55 pm)

(D)

COUNCIL RESOURCES COMMISSION

19/05 - **CORPORATE PLANNING PROCESS 2005/2006:** The Executive Director (Corporate Policy and Improvement) submitted written information in relation to the Corporate Planning Process 2005/2006 which detailed changes to the processes involved. The Director advised that both the Medium Term Financial Strategy and the Strategic Plan would be brought together and considered at the same stage and a flow chart detailed the various elements to this process including periods of consultation and engagement with the Overview and Scrutiny Commissions as well as other bodies. It was noted that the Commission now had the opportunity to be involved in the consultation process prior to the Medium Term Financial Strategy and Strategic Plan being considered by the Commission in September. A presentation would also be undertaken on 31 August 2005 for all Members regarding these plans. **It was agreed** that this event would include the opportunity for Members to participate and comment on the issues raised. These comments, together with comments from the Community Services and Environment Commissions, would be reported back to the Commission for consideration at its meeting in September 2005

Members commented that they supported the Corporate Planning Process and that they welcomed the opportunity for the Scrutiny Commissions to consider the items before approval by Cabinet.

One Member sought clarification over the basis of the consultation with Parish Councils. The Director reported that Parish Councils would be consulted through the Council's cycle of Parish Council meetings. Some of these, however, were scheduled much later in the year than others and, as a consequence therefore, after the final approval of the process. He added that a summary document would be prepared and sent to all Parish Councils at an early stage.

The Chair thanked the Executive Director for his attendance.

(5.38 pm – 5.52 pm)

(D)

20/05 - **MAJOR CONSTRUCTION SCHEMES – PROJECT MANAGEMENT CODE OF PRACTICE:**

MINUTE AND REVIEW

The Head of Property Management submitted a written report regarding the proposals for the introduction of a new Project Management Code of Practice for Major Construction Schemes. The code of practice followed from the work of the Breakout Space Investigation and paid appropriate regard to the findings of the HIC Breakout Space Panel which reported to the Council's Resources Overview and Scrutiny Commission of 16 December 2004. The proposed new code was attached as Appendix A to the report and the findings of the HIC Breakout Space Panel were detailed at Appendix C.

The Commission was concerned that it was stated that the Code of Practice would be used in all Departments of the Council, except housing contracts. Discussion had taken place during the investigation regarding the inclusion of housing contracts and

COUNCIL RESOURCES COMMISSION

the view of the Panel had been that all contracts should be included. It was noted that the risk levels associated with housing maintenance and refurbishment contracts could be lower than for new build contracts.

The Commission expressed concern that the report stated that “there is recognition that no single officer can take personal and individual responsibility for a project”. It was commented that one of the main outcomes of the work of the Panel had been that the responsibility for a project should be designated to one person. The Head of Property Management said that the detailed roles and responsibilities of the Project Owner and Project Manager (Appendices 4 and 5) covered all of these matters but Members considered that it did not include this “responsibility” for the project. Members voiced concern over this and commented that overall control of a project should be designated to one person. The Panel had wanted one single point of contact who was responsible for the project, if this was implied in the role of the Project Owner then why could it not be stated? The intention was that the responsible officer would not be responsible for the work of individuals within the project but would be the officer with overall responsibility who ensured that other individuals undertook their respective duties. The Head of Property Management pointed out that this did not appear to be significantly different to the role of the Project Owner, as detailed in Appendix 4. He was reluctant to include some loose “generality” and responsibilities needed to be specific and precise as set out in the Code. The view of the Commission was that this should be strengthened. The officer agreed that he would revisit these two areas and respond to the Chair and Vice-Chair via email.

The Commission agreed that not all projects would fit exactly into the format that was proposed and that, as a norm, a special document would be drawn up for larger projects to set out a robust project management arrangement structure. The Commission considered that if this was the case then it should be stated that the requirements of the Code of Practice should be included in this document as a minimum requirement.

In relation to section 1.3 of the report the Commission considered that the wording of this section **should be amended to read**, “In respect of small construction projects the practices set out in this Code *should* be used for guidance”.

The Executive Director (Corporate Policy and Improvement) confirmed that further work on Project Management would be available for consideration by the Commission and it was anticipated that overall guidance for projects would be in the form of one document. The Code now being considered concentrated on Major Construction Schemes because that was where the focus had necessarily been in recent years.

The Chair emphasised the importance of risk assessment and, in particular, the need for a monitoring mechanism to be established. The Executive Director noted the comment and advised that a checklist document, to accompany the Code of Practice, would also be produced.

A discussion proceeded regarding the definition of a “Council Project” and a “non-Council” project, as detailed under section 2 of the Code, and the Commission felt that this re-introduced in another way the previous distinction between “Corporate” and “non-Corporate Projects” which the findings of the review had intended to

COUNCIL RESOURCES COMMISSION

abolish. The Head of Property Management confirmed that the only distinction would be in defining which projects would have a reporting procedure to CMT, and in order to clarify that distinction the projects had been defined as "Council Projects". It was felt that no distinction should be made in the Code of Practice. In response to Members concerns **it was agreed** to amend the wording to more strongly reflect the role of risk assessment in defining which projects would be brought forward by individual Directors for CMT to agree the reporting route. In this way the projects that exposed the Council to the highest risk would be defined and would follow a specific reporting procedure. Projects that were significant in terms of risk exposure and typically those that were above 0.5M would be subject to the Code of Practice for Major Construction Projects (CMT to make decision on the significance of a project based on risk).

In relation to the contract administration checklist (Appendix B) the Commission were of the opinion that the checklist should more specifically cover the issue of warranties and parent company guarantees. **It was agreed** that the contract information sheet should be amended and include a distribution list to the appropriate Department/Section such as Legal, Finance, etc at the appropriate stage.

The Commission agreed that the revised Certificate of Valuation for Off-Site Materials addressed the concerns it had raised

It was reported that the Council's standard procedure for appointing consultants should be strictly followed as requested by the Commission in its findings. The Chairman was concerned about any changes that had been made since the HIC Breakout Space to ensure that this was complied with.

Referring to section 13 of the findings of the Breakout Panel **it was agreed** that the detailed financial assessment should form part of the "Constructionline" assessment process or be carried out by the Department of Resources (Accountancy), if appropriate. Officers confirmed that this role was the specialist responsibility of the Accountancy Team and the arrangements were already in place and operating. The role of the Project Manager would be to ensure that the appropriate checking took place and not to undertake that checking directly. The Commission agreed this but it was felt that project management training should include the complexities of company organisation and structure so that it could be ensured that the appropriate company was being assessed.

The Commission emphasised that there should be one document developed as a guide to use the new and existing procedures. This would not contain all appropriate guidance but would act as a checklist to be followed and be linked to the appropriate guidance, with references at appropriate stages. **It was also agreed** to include in the Code of Practice the following " where the Council had specified the use of a particular (nominated) sub-contractor, eg for specialist work, it must be ensured that they have had appropriate financial vetting. Initiating this vetting will be the responsibility of the Project Manager".

It was agreed that there would be a formal response from the Commission to Cabinet regarding the consideration of the report agreed by the Chair.

COUNCIL RESOURCES COMMISSION

The Chair thanked the officer for his attendance.

(5.52 pm – 6.55 pm)

(D)

21/05 - **REARRANGED MEETING OF THE COMMISSION:** It was agreed that the Commission meeting due to be held on the 26 September 2005 be rescheduled to the 19 September 2005 to accommodate the consideration of the Medium Term Financial Strategy.

(5.52 pm)

(D)

MATTERS HOLDING THE EXECUTIVE TO ACCOUNT

22/05 - **FORWARD PLAN OF KEY DECISIONS:** Members noted the attached Forward Plan Key Decisions which related to the Commission:

- Replacement Financial Management System; and
- Procurement of a Customer Relationship Management (CRM) System.

(6.55 – 6.59 pm)

(D)

23/05 - **CABINET AND CABINET MEMBER DECISIONS:** The Commission noted the Cabinet and Cabinet Member decisions which had been taken or were due to be taken since the last meeting of the Commission.

(6.59 pm – 7.00 pm)

(D)