

Audit & Governance Committee – 12th March 2014

Item 12 of the Agenda refers.

Feedback on the Council's recent investment projects completed and now in hand

Council Walker has requested that the Committee considers a number of issues relating to the construction of Maidenbower Pavilion. If the Committee are minded to agree to this request, the intention would be to bring a report, covering those issues, to the June meeting of the Committee.

The issues that Councillor Walker wishes to be covered are:

1. factual inaccuracies in the internal audit report on Maidenbower Pavilion submitted to the Committee in March 2012 – notably the form of contract used for the project
2. miscalculation of the spoil arising from the project and its contribution to the overspend
3. the security of the pavilion (e.g. suitability and siting of CCTV and the height of the roof) – questions that have arisen from the recent burglary
4. the overall quality of the building

Members on the Committee in March 2012 will recall that the Committee received a report at that time on issues relating to the construction contract for the Pavilion and the lessons to be learned. That report included observations of both the form of the contract and the issue of the excess spoil.

The report identified that the traditional contract used was not the most appropriate and that consideration should have been given to using a design and build contract. It considered that the failure to consider this, given that complete drawings did not exist, was a contributory factor to the over spend. It also identified the excess cost of dealing with spoil over and above the quantities provided for in the original estimates and projections.

The Committee is requested to determine whether they wish a report to come to them in June, and if so, the scope to be covered in that report. If they do wish a report to come forward, they may wish to consider including an additional item in the scope, namely an assessment as to the extent to which the lessons learned identified in the March 2012 report have been put into effect on subsequent major construction contracts. For information, a summary of the lessons learned at March 2012 is detailed overleaf.

Dave Rawlings, Head of Finance, Revenues & Benefits

Summary of Lessons Learned:

- A revised approval process needs to be put in place for pre tender documentation. This should include a formal sign off of the documentation to confirm that
 - It is fit for purpose (this would include the type of contract)
 - It accurately reflects client expectations
 - There is adequate budget provision at this stage

- Regarding roles and responsibilities:
 - The roles of the project manager and sponsor need to be clearly defined and understood.
 - It needs to be clear who the project manager and sponsor are for each project.
 - There should be a named project accountant for each project. Their role should be clearly defined as should that of project support staff.

- A thorough review of the two lowest tenders should be undertaken, including quality aspects of their bids