IMPLEMENTATION PLAN

Item No	Recommendation	Priority rating	Planned action / response	Implementation date	Lead Officer	Current Status
Specific Project Tasks						
1.	The Chief Executive and Director of Human Resources should determine whether any conduct investigations are warranted.	High	Review evidence collected during investigation and advise line managers	Dec 2010	JT	Complete
2.	Recruit an individual to take over the management of the children's services capital programme, setting up proper systems of control and management as well as identifying issues on other schemes.	High			CD	
3.	Investigate whether there is any redress for the escalating costs of the temporary school.	Med			BH	
4.	Revisit the value for money assessments for the reviewed projects.	Low	Review the existing assessments and comment accordingly	Feb 2011	MB	
5.	Check that the Council has complied with the grant conditions and is not carrying any risk from having waived the contribution from the church schools	Low	All grant funding has been reviewed	Dec 2010	MB	Complete
Contract Management						
6.	A clear approval date should be included within the Gateway documentation.	Low	The commissioning form incorporated within the Gateway documentation, inclusive of Gateway 0, 1, 2 or any revisions so presented for approval within delegated authority should include approval date.	Dec 2010	BH	
7.	The Instructing Department should be required to authorize all project Gateways	High	Revision to Gateway 0,1and 2 sign off page to include Budget Holder's signature that is to be sought in advance of submission to HoS or Director.	Dec 2010	BH	
8.	Any subsequent revisions to the Gateway documentation should be completed through the use of a dedicated revision form that documents the need for the revision and the cost and schedule implications	Med	The project Core Group shall review Change Instructions where agreed Provisional Sums are to be expended within the Agreed Maximum Price,	Jan 2011	BH	

DRAFT

			particularly this is to control PS that are already committed and where further expenditure would likely take contractual commitments beyond approved Gateway limits.			
9.	It should be ensured that appropriate contractual arrangements have been established prior to any project work actually commencing.	High	Process reiteration of instruction to all staff reminding the Client Representative that Pre Possession Agreements or similar contract documents **cannot** be issued to the constructor unless the approved Gateway 0, 1 or 2 is in place. Process known by staff and in place. Core Groups to align approval lead in time to project timetable.	Dec 2010	BH	
10.	The Gateway 2 documentation should include a provisional sum for works to be completed directly by the Council and appropriate contingency for any risks transferred to the Council.	High	Any and all Provisional Sums must be identified within the project cost plan and the AMP within Gateway 2. A project risk register exists and is implemented to identify Client or Constructor risk items. The Core Group with Budget Holder input will be asked to agree expenditure against the AMP adjustment of Provisional Sums. With agreement in place, under the contract the Client Representative's shall issue a Change Instruction authorization such expenditure.	Dec 2010	BH	
11.	The change order authorisation procedure should be appropriately used on all projects, including formal acceptance by the instructing party.	High	Remains subject to further process reviews to fully meet this recommendation	Ongoing	BH	
12.	It should be ensured that all change orders instructed by Schools are collated and recharged where appropriate.	Med	Schools instructions are not contractually recognised if they are not the Client. Review process to ensure any changes or variation to the works required by the school are communicated via Children's Services that shall; • Confirm revision to brief • Confirm budget availability • Adopt Change order process in regards to; 1. contractors proposal cost	Jan 2011	BH	

DRAFT

			2. value engineering between constructor and the Cost Consultant 3. agree change instruction with Children's Services and cost code for work to be charged to (including internal/external fees) Client Representative issues instruction under TPC /PPC contract to the constructor.			
13.	An internal project completion procedure should be established which requires the authorization of the instructing department prior to Property Services formally signing off projects.	Med	Revision of process to include as part of the project Core Group function, to jointly sign off the project and to agree as the Interested Party under the contract the outcome of the constructors Performance Indicator.	Jan 2011	BH	
14.	An up to date risk register should be maintained throughout all projects & schemes. .	High	Review of risk register to be carried out as part of the Core Group agenda.	Dec 2010	BH	
15.	Adopt a consistent project filing system for papers & electronic records in C&E	Low	Implement revision of Gateway document changes. Put in place further staff training to ensure Gateway, contract documentation processes are adopted in a uniform and consistent manner.	Jan 2011	BH	
Financial Management						
16.	Review the process for issuing codes.	High	The process has been reviewed and is in place	Jan 2011	MB	Complete
17.	Review, clarify and communicate how contracts and capital schemes should be committed within SAP.	Med	All capital scheme managers have been provided with refresher training and reminded of the need to raise purchase orders in SAP in advance of any work commencing. Further training and guidance will be provided.	Jan 2011	MB	
18.	The monitoring system should provide for the facility: to allocate the budget across key headings, which will provide more information for budget monitoring and control purposes;	Low	SAP has been amended to allow the use of sub-codes for capital schemes to aid monitoring.	January 2011	MB	Partially complete

DRAFT

	to show the schemes' budget across financial years from inception, in order to have a complete overview of a scheme both approved budget and costs incurred		It is possible to show scheme budgets across financial years in SAP. The cabinet report on the 2011-12 to 2015-16 capital programme will show scheme budgets across years where information is available. Monitoring reports are being altered to include pre year, current and future year spend.	Operative Monitoring report changes Sept 2011 (quarter 1)		
19.	Consider the cost benefit of being able to profile the budget across quarters – this will enable the financial information to be integrated with the cashflow within the AMP and provide information for treasury management purposes.	Low	Further work is required to investigate how this process can be implemented on SAP		MB	
20.	Consider putting in place some checks and balances based on such things as: Exception reports, where purchase orders are declined for insufficient budgets, so that Finance can use these at monthly monitoring meetings and alert senior managers; Exception reports where the purchase order date is the same as or after the invoice date; Reports on blocked invoices; Reviews of transfers; and A requirement to complete a post completion report once the budget has been fully committed	Low	Reminders have already been issued to all SAP users on the importantce of raising purchase orders in advance. Controls on expenditure to be reviewed for efficacy in controlling budgets. As part of the procurement project, additional checks and controls will be put in place in relation to purchase orders.	Compliance systems to be developed during 2011-12	MB	
21.	Where projections are not provided by budget holders, this should be escalated and be presented as "budget holder has not provided a projection".	Low	Agreed	Jan 2011	MB	Complete
22.	A single Master code should be established for each project with appropriate sub-codes that allow an analysis of sub-categories of costs as required.	High	To effect this the Capital Scheme must be constructed to show all relevant funding streams and there must be a transparent process to show how this has been authorized and agreed. Commissioning form to record Master and sub-codes for the project. Commissioning pro-forma to be signed by Budget Holder to verify code and budget amount(s). Budget amounts to be clear on inclusive	Jan 2011	MB	

DRAFT

4

				or exclusive of fees (both internal and external).			
23.	Comprehensive and contemporaneous project finance reports should be produced for all projects which specifically detail budgeted cost, actual cost to date, committed costs and a forecast outturn. It should be ensured that such reports are actively discussed and considered at core project meetings as a matter of course.	High	Ensure the use of project cash flow – to be produced by the constructor that aligns with the project programme and is reviewed as part of; 1. The project Core Group agenda 2. Presented to the Budget Holder 3. Use of SAP to monitor commitment and spend from SAP by the Budget Holder. 4. Capital Forum	Dec 2010	MB	
24.	Project costs should be coded to the appropriate project code.	High	The Commissioning forms will assist the Client to do this		BH	
25.	The overall programme, coding and monitoring should be focused on schemes/projects rather than funding streams.	Med	The cabinet report on the 2011-12 to 2015-16 capital programme will show total scheme budgets, and monitoring reports will report at scheme level (already implemented).	Monitoring report changes 2010 -11 (quarter 3)	MB	
26.	The capital budget monitoring to members should present the whole programme across the financial years of the approved programme, and include sufficient information to facilitate proper challenge and scrutiny.	Med	The cabinet report on the 2011-12 to 2015-16 capital programme will show total scheme budgets, and monitoring reports will be enhanced during 2011-12.	Monitoring report changes September 2011 (quarter 1) CSB from April	MB	
27.	Review all grants schemes being developed or in the pipeline having regard to funding costs ongoing revenue implications and grant conditions/penalties.				CSB	
Governance						
28.	The Council should review its contracts to ensure a comprehensive understanding. This will ensure that the Council is maximising the opportunities to achieve value for money.	Low	This was clearly set out in Cabinet reports for both procurement of the Kier and Apollo and the Terms and Conditions of the contract made available to staff.	Dec 2010	BH	complete
29.	Review the expectations from the Strategic Partnership Board and Contract Management Group, ensuring these are fit for purpose and their role clearly understood within the organisation. A more formal monitor of all projects using key indicators should be used.				BH	

DRAFT

30.	Review the operation and performance management of the Special Projects Team, including: the application of clear and consistent procedures; formal reporting to the client on a regular basis; and ensuring that there is an overall high level schedule being reported on key aspects of each project and that this is used for exception reporting and discussion.				BH	
31.	A clear governance structure and chart of responsibilities should be agreed for each project managed by C&E.	High	Review of the Partnership Governance structure Responsibilities to be clearly defined within the structure.	Feb 2011	BH	
32.	A review of the existing documented procedures within C&E should be undertaken.	Med	Upon completion of process review and implementation of the improvements recommended under this Action Plan, a further Internal Audit can be scheduled. It should be noted that the Gateway process was subject to an Internal Audit review dated 21/07/2010 with recommendations discharged.	Feb 2011	BH	
33.	Review what is reported to members & CSB, and its completeness, relevance and accessibility.	High	All directorates to identify projects, which should: follow the project management toolkit & be reported to Improvement Board, & thereafter, if appropriate to CSB & Cabinet	Jan 2011	CSB	
34.	Consider the future roles of Internal Audit & the Overview & Scrutiny Committee in monitoring what is reported to CSB and Members.		Internal audit to review 33 above, involving O&S as appropriate	Feb 2011	MB	
35.	Review the Council's governance structure to ensure that member time is focussed on priority areas.		Undertake comprehensive Governance/assurance review, for consideration by CSB & Cabinet	April 2011	HP	
36.	Assure itself that the current Partnership arrangement delivers value for money, having regard to all the costs incurred in this arrangement and the way that the Partnership is operated.				BH	
37.	Review project governance structures with its					

DRAFT

	Construction Partner to ensure these are concise and clear, making any necessary changes to agreed documentation as a result. This should complement the expectations within the Council's governance framework.				BH	
38.	Create an exemption process with senior management sign off for when agreed processes are not being followed due to practicalities in delivery e.g. starting on site.				BH	
39.	Clearly set out & reconcile with the financial regulations the authority to sign prepossession agreements, agree and sign AMP documents, and issue briefs and budget codes.	Med	Scheme of delegation to be revised and reissued to capture these activities. Ensure Financial Procedures to support the end to end process are issued which support the Financial Regulations.	Mar 2011	MB	
40.	Incorporate into the Financial Regulations contract authorisation arrangements in relation to the Construction Partnership.	Med	Full review of financial regulations to be carried out – to be reported to Cabinet in May. Full Council approval required in July.	July 2011	MB	
41.	The client service department should authorise the Gateway and any other commitments being made on their behalf.				BH	
42.	Clearly set out within the Council's Governance documents, the arrangements for agreeing the details of the Capital Programme at scheme and project level e.g. Cabinet, Portfolio or Director decision.			May 2011	HP	
43.	Combine the scheme identification and business case processes which form part of the capital budget development with the Gateway 1 and 2 processes in order to have an integrated process that: improves cost estimates, provides for feasibility studies where appropriate, avoids duplication, and ensures that there is a single view of the overall budget and funding available and that expenditure is kept in line with this.				TW	
44.	Business cases should be required to include information about the complete scheme, irrespective of funding, as well as ongoing revenue implications. Consideration should be given to completing these prior to the Cabinet agreeing the Capital Programme in order to inform decision making.	High			TW	

DRAFT

45.	The Capital Programme procedure notes to support the Financial Regulations need to be reviewed in the light of what has happened, to include roles and responsibilities and the approval of virements. These procedures notes should make as much use of flowcharts as possible to ensure clarity and ease of reading.		The Capital Programme procedure notes will be revised and reissued.	Jan 2011	MB	
46.	Agree terms of reference for the Capital Forum if it continues to exist along with a clearly defined corporate responsibility and clarity as to the role of attendees and the Chairman.				CSB	
47.	Review membership of the Forum to ensure it is appropriate having regard to the terms of reference.				CSB	
48.	The Capital Forum should consider undertaking detailed project reviews on a cyclical risk based approach having particular regard to rephased projects. This should consider project milestones.				CSB & MB	
49.	The monitoring schedules should incorporate intelligence from the cash flow and milestones within the projects.	Low	Monitoring schedules should include comments on actual spend to date and achievement of key project milestones. More work is required to understand the resources required to support this and establish a suitable procedure.	tbc	MB	
50.	There needs to be more involvement of senior management in capital monitoring, which at present appears focused on the client service representative, the Capital Forum and Cabinet. There should be reviews at both departmental and corporate management levels.	High	To be developed as part of 33 above		CSB	
51.	Finance should review the current support provided to the capital programme to ensure there is clarity of roles, expectations are clear and there is adequate strategic oversight.	Med	Roles have been clarified within Finance. This needs to align with the wider review of governance for the capital programme to ensure that all involved have a clear understanding of the requirements.	Jan 2011	MB	Complete
52.	Review the adequacy of the corporate reporting and monitoring of strategic, high profile projects.	High	To be developed as part of 33 above		CSB	
53.	Reinforce its expectations of project management					

DRAFT

	methodology being used on capital projects.	High	See above		CSB	
54.	Address purchase orders not being raised or being raised after invoices have been received. In addressing this, the Council should consider the approach to adopt, because the inclusion of commitments is only of value in monitoring and checking, if there is clarity about timescales and deliverables. By way of illustration, a project which has a commitment showing 80% of spend, could still be overspent, if spend is expected to be evenly incurred and the commitment is only up to period 6.		Reminders have already been issued to all SAP users on the importance of raising purchase orders in advance. As part of the procurement project, additional checks and controls will be put in place in relation to purchase orders.	Compliance systems to be developed during 2011-12	MB	
Organisational Development						
55.	Implement in the CS and C&E teams performance management of individuals using regular 1:1s and IPADs.	High			CD & BH	
56.	Develop a shared understanding of appropriate senior officer oversight and reporting of work undertaken by junior staff.		Commission an OD project for all managers		TW	
57.	Consider how to support & develop management accountability		To be considered at CSB awayday, but start by agreeing action points & action owners at CSB	Jan 2011	CSB	
58.	Consider what action is needed specifically and more generally to ensure that individuals comply with controls and the responsibilities as set out eg in the Financial Regulations. This includes taking proactive action when there is evidence of issues of concern or failure to comply with the relevant systems and procedures. The overriding objective should be to promote the best interests of the Council.	Low		tbc	Corporate Governance Group	

DRAFT