

**AGENDA ITEM NO: 4**

**BRISTOL CITY COUNCIL**

**MINUTES OF THE MEETING OF THE  
RESOURCES SCRUTINY COMMISSION  
HELD ON 22ND FEBRUARY 2008 AT 9.30 A.M.**

P Councillor Comer (in the Chair)  
P Councillor Brain  
P Councillor T Cook  
A Councillor Emmett  
A Councillor Gollop  
P Councillor McDermott  
P Councillor Stone  
P Councillor Dr Wright  
P Councillor Eddy

**Also in attendance:**

P Councillor Bees, Executive Member for  
Support Services.

**RC  
119.2/08 APOLOGIES FOR ABSENCE, SUBSTITUTIONS AND  
INTRODUCTIONS**

Apologies were received from Councillor Emmett and  
Councillor Gollop. Councillor Dr Wright and Councillor Eddy  
substituted.

**RC  
120.2/08 PUBLIC FORUM**

<b>No.</b>	<b>AUTHOR OF STATEMENT</b>	<b>SUBJECT OF STATEMENT</b>	<b>AGENDA ITEM NUMBER</b>
1	James Barlow	Redland Green - External Auditor's Report	9

The statement was noted.

**RC  
121.2/08 DECLARATIONS OF INTEREST**

Councillor Comer declared that he was a member of the Cabinet from May 2005 to May 2007, however, during that time he had no direct involvement with the Redland Green School project.

Councillor McDermot declared that in 2001 he was employed by company called Knowledge Online. The company was a sister company to PCM Limited which has now set up a joint venture called Clarus PCM limited which was part owned by the Consultant and to which the Consultant subcontracted the quantity surveying service for the Redland School Project.

**RC  
122.2/08 WHIPPING**

None.

**RC  
123.2/08 MINUTES – RESOURCES SCRUTINY COMMISSION –  
11TH JANUARY 2008**

**RESOLVED - that the minutes of the Resources Scrutiny Commission meeting held on 11<sup>th</sup> January 2008 be confirmed as a correct record and signed by the Chair.**

**RC  
124.2/08 MINUTES – RESOURCES SCRUTINY COMMISSION –  
17TH JANUARY 2008**

**RESOLVED - that the minutes of the Resources Scrutiny Commission meeting held on 17<sup>th</sup> January 2008 be confirmed as a correct record and signed by the Chair.**

**RC  
125.2/08 MINUTES – RESOURCES SCRUTINY COMMISSION –  
22<sup>nd</sup> JANUARY 2008**

**RESOLVED - that the minutes of the Resources Scrutiny Commission meeting held on 22<sup>nd</sup> January 2008 be confirmed**

**as a correct record and signed by  
the Chair.**

**RC  
126.2/08 WORK PROGRAMME**

**RESOLVED - that the work programme be noted.**

**RC  
127.2/08 CHAIR'S BUSINESS**

The Chair proposed and it was agreed that item 9 (Redland Green School - External Auditor's report) be heard prior to item 7.

**RC  
128.2/08 REDLAND GREEN – EXTERNAL AUDITOR'S REPORT**

The Commission considered a report of the Director of Central Support Services (agenda item no. 9) requesting consideration of the external auditor's review and recommendations regarding the Redland Green Project.

John Golding, Barry Morris and Fred Brown from Grant Thornton, the Council's Auditors, were in attendance.

The representatives from Grant Thornton explained that part of their role as the Council's auditors included the examination of the Council's process and the focus on Redland Green was part of this process. Their role did not extend to ascertaining the reasons for overruns of budget or the actions of the external contractors.

The following points were highlighted from the report:

- Data from a number of sources was examined and revealed there was a lack of overview of the Council as to the roles and responsibilities of the individuals and parties involved in the project.
- The risk register focussed on construction issues and not on project management issues.
- There was no ongoing formal assessment of risk management. There was an over reliance on the

consultants. There was no council overview and insufficient mitigation of the risks arising from over reliance.

- There was a lack of formal documentation of briefing and monitoring discussions which led to the auditor's inability to conclude whether the financial regulations had been complied with.
- There was no evidence that the Council had requested an explanation and justification of the consultant's figures.
- There was no written evidence of formal approval of the over run from Cabinet or Council.
- There was a lack of any evidence that Elected Members had been informed in a timely manner, although officers had confirmed this had in fact taken place.
- The Council had accepted all the recommendations made by the auditors and a further review had indicated that good progress was being made to improve the way of working.

Questions and issues raised by Members were clarified as follows:

- The report was part of the Council's annual audit plan and as such there was no additional cost. The plan included project management and Redland Green had been chosen as the specific project to review.
- The interviewing of Executive Members and external contractors was not included in the agreed scope of the audit which was about the council's processes.
- There was no doubt that discussions were held with Executive Members but there was no written evidence.
- There was a lack of clear roles and responsibilities of the relevant Executive Members.
- There were serious faults in the governance of the project. The report covered the period from 2001. Systems were in place now that were not in place then. Members were assured that governance arrangements were now in place to address concerns raised. A Project Appraisal Group was now in place to scrutinise high risk projects.

- There needed to be a system in place that assured Members of the Scrutiny Commission that effective member oversight would take place regardless of changes in the Administration of the Council.
- The Auditors would follow up their recommendations as part of their annual audit.
- There was not a sufficiently rigorous understanding of the 70% cost certainty issue.
- Current major projects should retrofit the recommendations in the report and apply to all future projects.
- Best practice suggested that a named Member/officer accountable for individual projects was a successful way of working. It was not always clear who the lead person was in this project.
- The Head of Property and Finances would provided details of officers qualified in Prince 2. All major projects were now run on Prince 2 guidelines.
- It was important to ensure a separation of duties when a multi-disciplinary team operated. In this instant too much responsibility had been given away and the Council had lost control.
- The Head of Property and Finance now sat on the major project boards to ensure similar problems did not arise.
- Prince 2 was noted as the management system to be used. Officers from within the Education Department underwent training but decided to use a parallel system instead. The details surrounding the use of the alternative systems were not documented. There was a lack of communication between officers from Education and Property Services resulting in no strategic project overview.
- The need for the school to open on time was paramount which made negotiations with the consultants over the reported overspend difficult to pursue.
- Officers would provide a definition of major/high risk projects.

During the meeting the Commission agreed that further information on this agenda item would be discussed in exempt session it was therefore resolved:

**RESOLVED - that under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act, as amended.**

Details of the exempt matters discussed are included in the exempt minute of this meeting.

**RESOLVED - that:**

**1. The Resources Scrutiny Commission recommends:**

**i. The report and recommendations from Grant Thornton be accepted in full.**

**ii. In addition to the recommendations made Council policy should ensure that for all large/high risk projects an executive sponsor should be appointed for whom training would be made available.**

**iii. All large/high risks projects should set up governance boards in line with Prince 2 principles.**

**iv. The Resources Scrutiny Commission should be made aware of the governance in place for all large/high risk projects**

**2. Training on roles and responsibilities should be made**

**available for members of Project Boards.**

The meeting was then opened to the press and public.

**RC  
129.2/08 REVENUE BUDGET AMENDMENTS 2008-09**

The Commission considered a report of the Director of Central Support Services (agenda item no. 7) requesting consideration of the amendments for the 2008-09 budget.

Members were informed that the amendments had been considered by the Monitoring Officer and the Section 151 Officer and declared valid amendments.

After discussion the following proposal was duly proposed seconded and carried by 4 votes to 2. (Councillor McDermott was not present for this agenda item).

**RESOLVED - that the Resources Scrutiny Commission had concerns that the budget amendments 8v (reduction of senior management costs) and 8vi (withdrawal from the WofE Waste Partnership procurement plan to build an incinerator) which, if adopted, could have devastating consequences for the Council to deliver its corporate objectives with particular reference to to subregional waste management strategy.**

**The report detailing the amendments for the 2008/2009 budget was noted.**

**RC  
130.2/08 ANNUAL PERFORMANCE PLAN 2008-11**

The Commission considered a report of the Director of Central Support Services (agenda item no. 8) requesting consideration of the draft targets set for Key Performance Indicators for 2008-11.

The Director of Central Support Services advised Members that there were a number of the BVPIs that involved work force profiles. All of these would be monitored but not all would be included in the corporate reports.

There were two cases where the target for 2008/2009 was lower than that being achieved. In both cases performance this year was well ahead and it was unrealistic to expect this level of increase in the coming year.

The timescale for the schedule to be presented to Full Council would be confirmed.

**RESOLVED - that the report be noted.**

**RC**

**131.2/08 THIRD QUARTER PROGRESS AGAINST BVPIs**

The Commission considered an information report (agenda item no. 10) detailing progress against BVPIs.

**RESOLVED - that the report be noted.**

**RC**

**132.2/08 PROPERTY ASSET MANAGEMENT – EXTERNAL AUDITORS**

The Commission considered an information report (agenda item no. 11) from external auditors relating to property asset management.

**RESOLVED - that the report be noted.**

**RC**

**133.2/08 DATE AND TIME OF NEXT MEETING**

**RESOLVED - that the next meeting of the Resources Scrutiny Commission be held on Friday 28<sup>th</sup> March 2008 at 9.30 am.**

(The meeting ended at 12.50 pm)

CHAIR