

Education, Children and Families Committee

10 am, Tuesday, 10 December 2013

Summer Schools Maintenance Report - update – referral from the Governance, Risk and Best Value Committee

| | |
|---------------|-----|
| Item number | 8.3 |
| Report number | |
| Wards | ALL |

Links

| | |
|--------------------------|---------------------|
| Coalition pledges | See attached report |
| Council outcomes | See attached report |
| Single Outcome Agreement | See attached report |

Carol Campbell

Head of Legal, Risk and Compliance

Contact: Gavin King, Committee Manager

E-mail: Gavin.King@edinburgh.gov.uk | Tel: 0131 529 4239

Contact: Carol Richardson, Committee Services

E-mail: carol.richardson@edinburgh.gov.uk | Tel: 0131 529 4105

Terms of Referral

Summer Schools Maintenance Report

Terms of referral

The Governance, Risk and Best Value Committee, at its meeting on 14 November 2013, considered a report providing a further update on the findings of the '2012 Schools Summer Works' Internal Audit report which was presented to the Committee's August meeting. Information was also provided on the findings of further reviews, the current arrangements in place to address the recommendations, and actions for future adoption to enhance delivery of the works programme.

The Governance, Risk and Best Value Committee agreed:

- 1) To note that Turner, Townsend, Faithful and Gould, and Corporate Property have conducted reviews of both the 2012/13 programme and current arrangements for the delivery of the 2013/14 Asset Management Programme with a view to developing an improved service;
- 2) To note that the detailed findings of the reviews is an agenda item for the next Asset Management Programme Board to ensure that each recommendation is given full consideration and arrangements put in place for implementation where appropriate;
- 3) To note that many of the recommendations are currently in place for the 2013/14 Asset Management Programme and these will be developed with the aim of delivering continuous improvement;
- 4) To note that a fundamental change is in hand for the 2014/15 programme. The aim is to have an approved programme for the following year by the end of Quarter 3 each year. This will allow planning and design for an earlier start on the following year's programme;
- 5) To note that there will still be issues with real time financial reporting until existing legacy systems (AS400) are replaced by the new Computer Aided Facilities Management solution;
- 6) To request that the Chief Internal Auditor includes Summer School Maintenance in their work programme for 2013/14;
- 7) To request that the financial figures for the 2012/13 programme be provided to the Committee; and
- 8) To refer the report to Education, Children and Families Committee.

For decision/action

1. The Governance, Risk and Best Value Committee has referred the attached report to the Education, Children and Families Committee for information.

Background reading / external references

Governance, Risk and Best Value Committee [15 August](#) and [14 November 2013](#)

Links

| | |
|---------------------------------|--|
| Coalition pledges | See attached report |
| Council outcomes | See attached report |
| Single Outcome Agreement | See attached report |
| Appendices | Report by the Director of Corporate Governance |

Governance Risk and Best Value Committee

10.00a.m., Thursday 14 November 2013

Summer Schools Maintenance Report

Item number 8.2

Report number

Wards City Wide

Links

Coalition pledges [P30](#)

Council outcomes [C025](#)

Single Outcome Agreement All

Mark Turley

Director of Services for Communities

Contact: Patrick Brown, Building Programme Manager

E-mail: patrick.brown@edinburgh.gov.uk | Tel: 0131 529 5902

Executive summary

Summer Schools Maintenance Report

Summary

In response to difficulties encountered in the delivery of the 2012/13 programmes of works, and specifically those works undertaken under a heading of '2012 Schools Summer Works', Internal Audit carried out a review which was presented to the August Governance Risk and Best Value Committee.

This report provides a further update building on the findings of the August Report with the findings of further reviews. One review was undertaken by a key external provider on the 2012/13 Programme, Faithful and Gould and an independent review by Turner and Townsend Management Solutions.

The Turner and Townsend review focussed particularly on current arrangements in place for the delivery of the 2013/14 Asset Management Programme drawing on their knowledge of best practice.

Corporate Property undertook a significant restructure which commenced in April 2013. This restructure has had a positive impact on the clarity of roles and responsibilities within Corporate Property. This along with changes to governance arrangements on the Asset Management Programme has already addressed a number of the major review recommendations. However it is recognised that the current 2013/14 programme is an interim stage in the approach to the delivery of the annual Asset Management Programme and further developments are in hand to move towards a more robust arrangement with a central aim of reducing delivery risk.

This report outlines the main findings of each review and the current arrangements in place which address the recommendations. There is also a comment on further actions which are in hand for future adoption. These further actions will go further in a number of instances towards providing more robust delivery of the works programme.

Recommendations

Governance Risk and Best Value Committee is asked to :-

1. Note that Turner Townsend, Faithful and Gould and Corporate Property have conducted reviews of both the 2012/13 programme and current arrangements for the delivery of the 2013/14 Asset Management Programme with a view of developing an improved service.
2. Note that the detailed findings of the reviews is an agenda item for the next Asset Management Programme Board to ensure that each recommendation is given full consideration and arrangements put in place for implementation where appropriate.

3. Note that many of the recommendations are currently in place for the 2013/14 Asset Management Programme and these will be developed with an aim of delivering continuous improvement.
4. Note that a fundamental change is in hand for the 2014/15 programme. The aim is to have an approved programme for the following year by the end of Quarter 3 each year. This will allow planning and design for an earlier start on the following year's programme.
5. Note that there will still be issues with real time financial reporting until existing legacy systems (AS400) are replaced by the new ICT CAFM solution (Computer Aided Facilities Management).
6. Agree to refer this report to the next Education, Children and Families Committee.

Measures of success

Full delivery of the asset management programme on time and on budget, in line with stakeholders expectations.

Financial impact

The report refers to new processes in place to improve financial management.

Equalities impact

The recommendations of this report do not have any impact on equalities and human rights.

Sustainability impact

There are no sustainability issues arising from the recommendations of this report.

Consultation and engagement

- Feedback from service users and stakeholders incorporated within the review;
- Improved communications and approval processes with clients.

Background reading / external references

Summer Schools Maintenance Report – Update: Report to Governance, Risk and Best Value Committee on 15 August 2013.

Summer Schools Maintenance Report

1. Background

1.1 At the August Governance, Risk and Best Value Committee a report was presented by Corporate Governance titled 'Summer Schools Maintenance Report-Update' which presented the findings of the July 2012 Internal Audit Report 'Children and Families Schools Summer Works Programme'. The agreed actions from the August Committee were:

- To note the draft findings and recommendations
- To request an update report in November 2013 including details on:
 - i) The review scheduled for completion in September
 - ii) The programme for 2014
 - iii) Further information regarding best value regarding procurement
 - iv) Compliance with Council procedures on projects
- To refer the report to the Education , Children and Families Committee

This report addresses the requested actions.

2. Main report

2012/13 Programme Review

- 2.1 The Asset Management Programme for 2012/13, was delivered by different teams and associated structures, from those currently in place following the April 2013 Corporate Property restructure. Arrangements at that time were more complex with the in-house design teams (Property Services) being commissioned by Asset Management to deliver part of the programme and Asset Management directly commissioning and managing external consultants for the balance of the programme. This approach resulted in different governance arrangements for different parts of the programme. This approach has now been simplified with the introduction of a new Corporate Property structure in April 2013.
- 2.2 The two teams within the revised Corporate Property structure tasked with the delivery of the Asset Management Programme are Strategic Asset Management (SAM) and the Building Programme Team (BPT).
- 2.3 Strategic Asset Management oversees the strategic direction for the property estate, responsible for the development of the corporate asset management plan, liaison with service directorates regarding their strategic needs, property

rationalisation and forward programming and control of the asset management programme.

- 2.4 The Building Programme Team provides a building construction related, multi-discipline, design and project management service for the Council's Non-Housing Operational Estate. These services are delivered by means of the in-house resource and, where necessary, through external suppliers.
- 2.5 In addition to the normal Asset Management Programme there were two additional significant programmes of minor projects added at a later stage. The first was a Children and Families £4.1m revenue funded Redecoration and Flooring programme and the second a £1.1m Programme of projects agreed between Asset Management and Children and Families. These were discussed in the same forums as the Asset Management programme but were funded from separate budgets.
- 2.6 The Redecoration Programme was allocated to an external supplier, Faithful and Gould, to deliver in its entirety. Due to the large size and tight delivery timescale Faithful and Gould had to use additional design/surveying sub-suppliers. Faithful and Gould delivered this programme under the direct management of the Asset Management Team at that time.
- 2.7 With regard to the main body of the 2012/13 Asset Management Programme, this was principally delivered by the then Property Services team. An outline lessons learned exercise was carried out in June 2013 by Corporate Property and this shared with Internal Audit to inform their report to the Governance, Risk and Best Value Committee in August 2013. The key findings of this exercise are represented again below.
- 2.8 In view of the significant changes put in place as part of the Corporate Property Restructure and the revised Governance Arrangements put in place as part of the restructure it was determined that it would be beneficial to have an external review. Turner and Townsend Management Solutions were appointed to carry out this review and their findings are outlined in this report.

Faithful and Gould Lessons Learned (2012/13)

- 2.9 Faithful and Gould have conducted an internal Lessons Learned review which centred on the Redecoration & Flooring Works as these represented the major part of their commissioned works and were an area which raised a number of issues. This also formed a major part of the focus of the Internal Audit Report presented to the Governance, Risk and Best Value Committee in August 2013.
- 2.10 A number of the findings of the report have already been addressed through the recent restructure in Corporate Property and the associated revised Asset Management Programme governance arrangements. However it is recognised

that there are a number of more detailed points identified which will be reviewed at the next Asset Management Project Board to ensure any identified issues are addressed going forward as part of the services approach to continuous improvement.

- 2.11 Some of the more notable issues identified by Faithful and Gould in their report are outlined below. The table also highlights arrangements in place for 2013/14 which address the issue and proposed arrangements for future years:

| 2012/13 Programme Issue | 2013/14 Programme Position | Future aim |
|--|--|---|
| <p>Project Briefing Limited information available at briefing stage.</p> | <p>This is still an issue at this interim phase.</p> | <p>Aim to commence the briefing and design stage in Quarter 3 of the previous year to lessen the impact of any delay in finalising briefs.</p> |
| <p>Reporting Arrangements Detailed weekly reporting required for the 2012/13 decoration Programme which diverted key personnel from delivery. Numerous additional ad hoc reports requested by CEC.</p> | <p>Monthly Asset Management Programme board is the key reporting vehicle. Ad hoc reporting has been minimised wherever possible.</p> | <p>Monthly Programme Board will continue with ad hoc reports only where essential. Performance reporting will, where possible be automated through the new computer system currently being commissioned (CAFM).</p> |
| <p>Programme Lead Times Limited time from time of appointment to complete site surveys, finalise project scopes, client and user approvals, tender document preparation, tender action, tender acceptance and pre-start meeting to meet the targeted site start on the commencement of the summer break. Numerous issues outside the direct control of the delivery</p> | <p>Compressed delivery periods are still an issue for the 2013/14 programme. However the delivery teams on the 2013/14 programme have given earlier feedback on the viability of programmes allowing earlier notification of stakeholders. There will be a step change in addressing project lead times for the 2014/15 programme with the</p> | <p>The intended move to issuing programmes (or the bulk of programmes) in Quarter 3 of the previous financial year will allow the design and planning phases to be concluded earlier giving greater certainty of delivery and use of the full financial year for delivery. This should also maximise spend in a given financial year.</p> |

| | | |
|--|---|---|
| <p>team resulted in a number of redecoration projects being delivered outside the targeted summer break.</p> <p>This also impacted of delivery of spend within the financial year.</p> | <p>introduction of arrangements to finalise future year programmes at the end of Quarter 3 of the previous year with the aim of allowing design and planning to be initiated in Quarter 4. This is in hand for the 2014/15 programme.</p> | |
| <p>Coordinating with Other Projects</p> <p>Numerous projects from the various programmes work stream resulted in a number of instances of single properties experiencing a number of projects of differing trades being executed concurrently resulting in coordination issues and confusion with building users.</p> | <p>For the 2013/14 programme, every attempt has been made to bundle projects into single multi-trade projects for each property. By way of example, the 2012/13 Asset Management Programme consisted of circa 700 projects whereas the 2013/14 Asset management Programme is delivering circa 400 multi-trade projects for broadly similar budgets.</p> | <p>The multi-trade approach will be monitored. To date the evidence is that it has been successful and should be continued.</p> |
| <p>Tendering Issues</p> <p>Framework Contractor appointments were delayed impacting on the delivery of the programme. In addition there were issues around capacity of the framework suppliers to deliver the works due to the scale and compressed timescales resulting in re-pricing exercises.</p> <p>Also some issues around consistency of Procurement advice.</p> | <p>Framework contracts now in place. In addition Edinburgh Building Services are the prime supplier for minor all trade works removing the tendering process.</p> | <p>Frameworks will continue and it is expected that Edinburgh Building Services will develop their expertise in works of this nature.</p> |
| <p>School Complaints</p> <p>End user issues at the end</p> | <p>The programme is now supported by four Project Officers. These are</p> | <p>Provision of the 4 Project Officers has been demonstrated to have</p> |

| | | |
|-----------------------------|--|---|
| of the key holiday periods. | building professionals with a surveying background. Their role is to manage progress at all stages and monitor spend against agreed budgets. In addition they are tasked with being a single point of contact for clients and end users and ensuring contract completions are delivered in an orderly fashion. | been a success to date and will be continued. |
|-----------------------------|--|---|

Outline Lessons Learned, Corporate Property (2012/13)

2.12 The Corporate Property Lessons Learned exercise referred to in the Internal Audit Report were essentially the key high level issues. The table below again captures the more significant issues. Some of these are repeats of the Faithful and Gould experience. These have been repeated as they clearly apply equally to the Faithful and Gould Revenue Redecoration Programme and the main Asset Management Programme delivered largely by Property Services at the time. Again arrangement in place for 2013/14 are outlined and also arrangements for future years.

| 2012/13 Programme Issue | 2013/14 Programme Position | Future aim |
|---|---|---|
| <p>Governance Arrangements</p> <p>No formal management arrangements were in place for the £1.1M Children and Families Revenue programme. Questions around roles and responsibilities of the Programme Board.</p> | <p>For 2013/14 there is a formalised Programme Board with clarity on roles and responsibilities. In addition, for 2013/14 this board is chaired by the Corporate Property Head of Service. Any projects not captured through a separate project specific governance structure is captured in project updates as part of this board. The Asset Management Programme Board would be the vehicle to deliver any additional works</p> | <p>Asset Management Programme Board will continue as the key governance element with Head of Service as Senior Responsible Officer.</p> |

| | | |
|---|---|---|
| | programmes. | |
| <p>Delivery Team Communications</p> <p>Identified a possible failure in communication between the teams at the time (Asset Management, Property Services and Finance).</p> | <p>Governance arrangements in place and there is close working in place between the Building Programme Team and Strategic Asset Management. Strategic Asset Management are also in close monthly dialogue with Finance.</p> | <p>The 2013/14 arrangements have proved to be a step change over previous years. This will be continually monitored with a view to continuous improvement.</p> |
| <p>Programme Budget Management</p> <p>Ensure individual project budgets are monitored to ensure allocated budgets directly relate to the project costs thereby ensuring the overall budget is fully allocated.</p> | <p>Monthly budget reporting to the Asset Management Programme Board is addressing this. However it is a time consuming and laborious exercise across a number of financial systems and excel spreadsheets.</p> | <p>This reporting and monitoring will continue. The process should be significantly streamlined and more robust once the CAFM system is fully operational. (Target Implementation Date is April 2014).</p> |
| <p>Programme Delivery Issues</p> <p>The process for agreeing the programme to be delivered and to commission the design teams is a key issue for confident delivery. Typically project teams have in the past been commissioned around March/April at best for the Children and Families programme and often as late as July for other Departments. With many of the projects requiring statutory approvals etc this is a challenging timescale in which to achieve spend within the financial year.</p> | <p>This challenge is still an issue for the current 2013/14 programme. However the closer Governance arrangements are providing improved certainty on delivery. In addition to the in-house delivery the Building Programme Team have appointed SCAPE (a framework design and project management partner) to deliver part of the programme. This is being managed by BPT directly ensuring the same governance and reporting arrangements are in place.</p> | <p>For the 2014/15 Programme the aim is to issue the programme to the design functions in Quarter 3 with a view to commissioning a substantial proportion of the works to allow design to commence in Quarter 4. Clearly if all approvals are not in place this may require a degree of working at risk for the planning and design elements.</p> |
| <p>Financial Reporting on</p> | <p>Finance agreed to add narrative to their reports</p> | <p>The CAFM should minimise much of manual</p> |

| | | |
|--|---|--|
| <p>Out-turn Position</p> <p>On the 2012/13 programme there was significant resource diverted to reconcile what was the understood position with regard to project progress in comparison with associated project spend as reported by Finance. The lack of integrated ICT systems resulted in this being a significant manual data handling exercise. The situation is also impacted by the lags in payments appearing on the Finance Ledger. For this reason Finance were reporting more pessimistic progress with regard to project delivery than was the actual case. In addition there was confusion around delivery of the overall programme as it had been incorrectly termed a 'Summer Works Programme' and did not recognise that only part of the programme is delivered in the summer period, not the entire programme.</p> | <p>when reporting the ledger position. There are still issues around streamlining the financial reporting to get as close as possible to the real time position. This is not fully addressed for this years programme. The term Summer Works is no longer used. It is used in the title of this report due to the legacy of the earlier report.</p> | <p>handling of finance data allowing teams to work from a common database.</p> |
| <p>Contractor Frameworks</p> <p>The contractor frameworks were delayed during the delivery of the 2012/13 programme (they were finally put in place by the end of June 2012) resulting in delays to contractor appointments.</p> | <p>Framework contracts are in place, and shall be available for use where required up to 2016. In addition EBS are now the preferred delivery route for projects up to circa £250k but it is recognised that this is a new area for them. EBS are currently</p> | <p>Frameworks will continue and EBS will grow in experience of works of this nature.</p> |

| | | |
|---|---|---|
| | restructuring and working closely with BPT to identify what key trades are needed for this type of programme. | |
| <p>Numerous small Projects on the same site</p> <p>Client and delivery team confusion around different, separate projects being delivered consecutively on the same site.</p> | Projects are being 'bundled' where possible into single multi-trade contracts where they are programmed to be delivered consecutively on the same site. | Bundling arrangement will be monitored for effectiveness. Indications are positive that this will be continued. |
| <p>Miscoding of Capital Project to Revenue</p> <p>There is a legacy issue associated with the continued use of the AS400 system. It results in projects being misappropriated to revenue budgets and showing associated under-spend on the Asset management Programme.</p> | This issue is still live for the 2013/14 programme. Finance are regularly monitoring and making the necessary transfers. | The AS400 will be decommissioned when the CAFM is fully operational. |

Turner and Townsend Review

2.13 This has been an extensive review which interviewed key stakeholders across the Council. In all 12 individuals were interviewed representing the following organisations:

Strategic Asset Management, Finance, Health and Social Care, Children and Families, Internal Audit, School (C&F user client), Laboratory (SfC user client).

2.14 In view of the significant changes to the structure of Corporate Property in April 2013 and the level of review of the 2012 Programme by Internal Audit, Faithful and Gould and Corporate Property, the Turner and Townsend review was informed by these exercises but did not focus on the 2012 'Summer Works'. The main focus of the report is around the current arrangements which are in place and any further arrangements which could offer improvement. The report captures the objectives as follows, 'The objective of this review is to review how projects are currently delivered, understand how the Asset Management Capital

Budget is managed and recommend ways to improve control, offer value and provide assurance to the programme.

| T&T suggestions | 2013/14 Programme Position | Future aim |
|--|---|--|
| | | |
| Strategic Asset Management develop a 3-5 year rolling programme. | This is currently being developed as part of the prioritisation of the 2014/15 programme, with an initial focus on this three year programme. | Rolling 5 year programmes are scheduled to be in place by 2014. |
| Remove name Summer Works. | Already in place. | Ongoing. |
| Develop list of constraints to assist with scheduling of projects (e.g.: Festivals, early warnings such as libraries requiring 3 weeks notice of closure, school holiday periods etc). | Not implemented to date. This will be taken up and put on a shared data base to inform the wide range of personnel involved in project programming. | Ongoing. |
| Strategic Asset Management commission Building Programme Team at the beginning of Q4 to commence design work for delivery in the following financial year. | Not implemented for the delivery of the 2013/14 programme | Arrangements being put in place for commissions to be issued at the start of Q4 for the 2014/15 programme and future programmes. This may require some work at risk if all approvals are not in place to permit this. Longer term, the aim would be to have the future years programme issued early in Q3 of the current Financial Year. |
| Have a list of ready to go projects to respond to release of unexpected funding or the current | Not implemented at this time. However this is something Strategic Asset Management are going to implement by pulling | When implemented this will be an ongoing arrangement. |

| | | |
|---|---|--|
| programme not delivering anticipated spend. | forward priority projects that could be accelerated from the following years programme. | |
| Reporting processes, timings and terminology require development to allow an equal understanding of project progress between Building Programme Team, Strategic Asset Management and Finance. | This point is recognised and will be addressed. A new property management IT system has been procured and is currently being commissioned. This system along with improved management arrangements will provide more accurate progress reporting. | Develop a common and accurate reporting system. |
| Continue to have regular communication and establish reporting methods with FM and other parties in order to develop a list of projects/tasks arising from their visits. | Feedback is currently given on an informal basis but it is recognised that arrangements to inform Strategic Asset Management when setting the future programmes needs to be consistent and formalised. It is recognised that Strategic Asset Management have to gather information from Clients, Facilities Management, Building Programme Team, Condition Survey Reports and Corporate Asset Management Group when collating the Asset Management Programme. | Formalised prioritisation based on technical and frontline service requirements. |
| Add Contractors Based Outside Edinburgh to existing frameworks. They will be able to respond during Edinburgh holidays and may price keenly to secure work during their | This focus has not been in place when procuring framework contractors. There looks to be potential advantages and this will be discussed with procurement. | If implemented this will be ongoing. |

| | | |
|---|--|--|
| own less busy periods. | | |
| Develop project close out documents to report to Strategic Asset Management and develop online customer/stakeholder satisfaction surveys following project completion. | This is recognised to be an appropriate process to apply and will be adopted. | Ongoing. |
| The traditional approach of commissioning Building Programme Team in April/ May on the Children and Families programme creates a scheduling challenge for projects being delivered over the holiday period. Turner and Townsend recognise Strategic Asset Management's aim to pull forward the planning process with client sign off by the middle of Q3. | Not in place for 2013/14 but targeted for the early implementation of the 2014/15 programme. | Ongoing once implemented. |
| Recommended use of a commissioning form capturing the key issues for each project. | The form has been developed and is being used for any new commissions. | Ongoing. |
| Recommended greater consultation and transparency of the Asset Management Budget with formal sign off on revisions and changes to assist in current status. | Arrangements are in place with ongoing stakeholder review via monthly Asset Management Client Liaison meetings, documented in a change control record. | Ongoing. |
| Recognition is needed of the ability to deliver spend on additional programmes | This is a recognised challenge and more realistic assessment of the | More upfront planning and budget approval and less short term demands, |

| | | |
|--|--|---|
| <p>subsequently added. This was even a problem when the available resource issue was addressed through the appointment of Faithful and Gould in response to the addition of the £4.1m and £1.1m Children and Families programmes at a late stage to the 2012/13 programme.</p> | <p>delivery of additional programmes within the same financial year needs to be provided at the time of appointment. Programmes need to articulate the lead in times prior to the delivery on site.</p> | <p>however need to be flexible and responsive.</p> |
| <p>Recommended that a cut off date for Revenue projects is agreed and adhered to. The aim to allow Building Programme Team to manage both Revenue and Capital workloads more effectively and prioritise works to be completed before March.</p> | <p>The benefits of this will be assessed at the Asset Management Programme Board. However it is not thought that a cut off could be readily implemented as this would very much be dependent on the level of revenue budget proposed for addition.</p> <p>The bulk of revenue spend is addressed by Corporate Facilities Management and is not delivered by Building Programme Team so this is not normally a significant issue. The £4.1M Children and Families additional revenue in 2012/13 was an exception.</p> | <p>More proactive approach and less short term demands, however need to be flexible and responsive.</p> |
| <p>CAFM should address the significant cost monitoring issues. However Turner and Townsend have not reviewed the proposed system.</p> | <p>This is a recognised key output from the CAFM system.</p> | <p>Ongoing and will be further refined over time.</p> |
| <p>Consider combining Strategic Asset Management (SAM) and The Building Programme</p> | <p>The need for Strategic Asset Management to retain some separation for the delivery functions</p> | |

| | | |
|---|---|--|
| Team (BPT) with the aim of realising possible benefits in streamlining. | allows necessary clarity to be retained. However this can be given further consideration if the benefits can be demonstrated to outweigh the costs. | |
|---|---|--|

2.15 The numerous reports also have more detailed findings. These along with the more significant items identified above will be reviewed at the next Asset Management Programme Board to determine the benefits and where appropriate agree arrangements to implement necessary actions to address the issue.

2.16 Across the reviews of the 2012/13 Programme it is evident that there were a number of issues which combined to impact on delivery. The significant issues were the introduction of additional programmes (£4.1M and £1.1 M Children and Families Revenue budgets) which were not anticipated at the early planning stages. The opportunity to execute circa 200 school Conditions Surveys was welcomed however the need to ensure this was executed in the 6 month period from October to the end of March was a significant logistical exercise which diverted management resources in the in-house team. A second significant issue was the late appointment of the framework contractor supply chain. This resulted in a need to find other interim solutions with the Procurement team which were not satisfactory.

Programme for 2014

2.17 The 2014/15 Asset Management Programme (and beyond) is progressing well with the initial draft departmental programmes nearing completion for consultation with service directorates. It is anticipated that these programmes will be presented to the appropriate committees in December/January.

2.18 This approval process would allow the appointment of the Building Programme Team to commence design and planning activities in Quarter 4. Should there be a delay in securing the necessary approvals a view will be taken on appointing the Building Programme Team to progress the design and planning activities to realise maximum benefits this opportunity affords. Clearly there will be a need for care in managing expectations in the process.

Best Value

2.19 A key aim in the delivery of the programme is to realise best value. With this in mind, the Building Programme Team were appointed by Strategic Asset Management on fee rates comparable to the external market for works of this nature. In addition the works have been mainly procured through new Framework Contracts which were put in place in 2012 and shall be available for a period of up to 4 years. These offer market competitive framework rates, for overheads and profit margins and are fixed for their duration of the framework. While these frameworks are available for use on any Council building related project, they were specifically procured with this programme in mind and cover the key trade elements associated with the Asset Programme. Over the last quarter Edinburgh Building Services have been defined as an in-house delivery partner, and while there is a recognition that they need to grow, develop and diversify into the multi trade partner this programme demands, there has been significant success with the projects assigned to them so far. Edinburgh Building Services continue to work closely with Building Programme Team to assist in the delivery of the programme where they can.

Compliance with Council Procedures on Projects

2.20 The Children and Families 'summer works' element of the 2012 /13 programme was reviewed by Internal Audit and no areas of failure in this regard were noted. Processes for 2013/14 are more robust with the availability of framework contractors and the internal EBS contracting teams. Furthermore all tenders are reviewed and tender reports prepared by the design teams. These reports are passed to Strategic Asset Management for approval before being, either accepted via a works order (<£25k in value) or issued to Corporate Governance Procurement for appointment where the value is greater than £25,000, and external contractors are to be appointed. This process allows SAM to closely monitor budgets and record key milestone dates relating to project status and progress.

3. Recommendations

Governance Risk and Best Value Committee is asked to :-

- 3.1 Note that Turner Townsend, Faithful and Gould and Corporate Property have conducted reviews of both the 2012/13 programme and current arrangements for the delivery of the 2013/14 Asset Management Programme with a view of developing an improved service.
- 3.2 Note that the detailed findings of the reviews is an agenda item for the next Asset Management Programme Board to ensure that each recommendation is given full consideration and arrangements put in place for implementation where appropriate.

- 3.3 Note that many of the recommendations are currently in place for the 2013/14 Asset Management Programme and these will be developed with an aim of delivering continuous improvement.
- 3.4 Note that a fundamental change is in hand for the 2014/15 programme. The aim is to have an approved programme for the following year by the end of Quarter 3 each year. This will allow planning and design for an earlier start on the following year's programme.
- 3.5 Note that there will still be issues with real time financial reporting until existing legacy systems (AS400) are replaced by the new ICT CAFM solution (Computer Aided Facilities Management).
- 3.6 Agree to refer this report to the next Education, Children and Families Committee.

Mark Turley

Director of Services for Communities

Links

| | |
|---------------------------------|--|
| Coalition pledges | P30 - Continue to maintain a sound financial position including long-term financial planning |
| Council outcomes | C025 - The Council has efficient and effective services that deliver on objectives |
| Single Outcome Agreement | All |
| Appendices | None |