

Report to: **Audit and Best Value Scrutiny Committee**

Date: **18 November 2009**

By: **Deputy Chief Executive and Director of Corporate Resources**

Title of report: **Property Improvement Project and Corporate Asset Management Plan (CAMP)**

Purpose of report: **To update the Committee on progress with the Property Improvement Project and note and review the CAMP which was adopted by Cabinet on 20 October 2009.**

RECOMMENDATIONS: The Committee is recommended to:

- 1. welcome the actions taken regarding the Property Improvement Project; and**
 - 2. note and comment on the recently adopted CAMP.**
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1. Financial Appraisal

1.1 This report has no revenue cost implications. The report sets out actions taken and planned to ensure confidence in the delivery of new construction programmes according to plan.

2. Supporting Information

2.1 Reports were submitted to the Committee in June and November 2006, November 2007 and September 2008 on actions in hand within CRD Property to improve delivery of capital projects. In the period since September 2008 work has continued to strengthen capacity to deliver projects. This work, known generally as the Property Improvement Project has had three themes:

- i) A "bottom up" initiative to secure improvement suggestions from each team in CRD Property.
- ii) A review of the senior management structure of the division.
- iii) In conjunction with appropriate client sponsors, to develop a sustainable model for capital project delivery.

2.2 Theme (i) is ongoing. Action plans have been developed for each team and these are reviewed in six-monthly meetings between the teams and the Assistant Director – Property.

2.3 Theme (ii) is complete following a 90 day consultation exercise. The structures before and after this process are shown as Appendix 1 and 2. The Head of Service posts for Maintenance and Estates and Asset Management have been filled. The other two Head of Service posts will be recruited to following completion of theme (iii).

2.4 Theme (iii) is currently at the consultation stage. As referred to in the report to the 12 September 2008 meeting of the Committee a report was commissioned from specialist public sector construction procurement advisors 4Ps on how the "Best of the Rest" develop and deliver their capital programmes. This was received in December 2008. It confirmed that the County Council already adopts many of the good practice points identified as part of the review and went on to identify scope for improvement. A brief summary is set out in Appendix 3. The review informed the review of both the Capital Projects team in CRD Property and the Capital Strategy team within the Children's Services Department.

2.5 During the interim, the actions taken to strengthen the Capital Projects team have proved successful as evidenced by improving performance measurement data and the successful completion of many projects including high profile ones such as:

Rye: new primary school and children's centre
Ringmer: new six form block
Newhaven: reconstruction of Tideway School
Phase 2 Children's Centres programme

2.6 Schemes currently on site are progressing within budget and programme eg High Hurstwood, Beacon Community College, Barcombe CE Primary. In addition a lot of effort has recently gone into working up the initial Primary Capital Programme projects. The project at Castledown School completed on time and within budget this summer and a start on site has occurred at Cradle Hill and Chyngton Primaries in October as planned. Projects at Churchwood and Hurst Green are currently awaiting planning consent, but are on programme. The new school at Frant has slipped behind programme slightly due to negotiations concerning site acquisition (now resolved) and alternative methods of construction are being evaluated to reduce time on site. The project will complete within the overall Primary Capital Programme deadline. Appendix 4 gives performance in respect of all projects where a contractor has been procured through a regional framework. This enables benchmarking against other authorities. Overall East Sussex County Council (ESCC) is seen to compare well.

2.7 Actions taken, together with the 4Ps report, have informed the consultation on a revised structure for the team delivering capital projects. The consultation draft revised structure is shown as Appendix 5. Should the Council be invited to enter the Building Schools for the Future programme following the submission in September 2009 of a "Readiness to Deliver" proposal, key staff will transfer over to an integrated CRD/CSD team to manage this programme.

2.8 A review of the Council's skills and resources to deliver Building Schools for the Future was carried out during September 2009 by Local Partnerships, successors to 4Ps. This found that within CRD Property there was good experience of delivering major and complicated projects within budgets and timescales. Also that invaluable experience had been gained working on the Bexhill High School BSF pathfinder project, which is also proceeding to programme and budget.

2.9 The Committee is asked to welcome the actions taken.

3. The Corporate Asset Management Plan (CAMP)

3.1 The CAMP was formally adopted at Cabinet on 20 October 2009. It contains a wealth of information on the performance of the Council's property estate, service and other pressures driving the need for change and the delivery programmes which will be used to achieve desired outcomes.

3.2 In the interests of saving paper and printing please can members of the Committee bring to the meeting the copy provided with Cabinet papers. Alternatively the link below will take you to the version on the website. Finally, should you require a further copy please contact Margaret Fuller in Committee Services on 01273 481685 or margaret.fuller@eastsussex.gov.uk. The Assistant Director – Property will be able to answer specific questions on the CAMP at the Committee meeting.

4. Conclusion and Reason for Recommendation

4.1 The report brings the Committee up to date on the Property Improvement Project and progress made on the delivery of capital projects. The Committee is also asked to note the CAMP and invited to comment.

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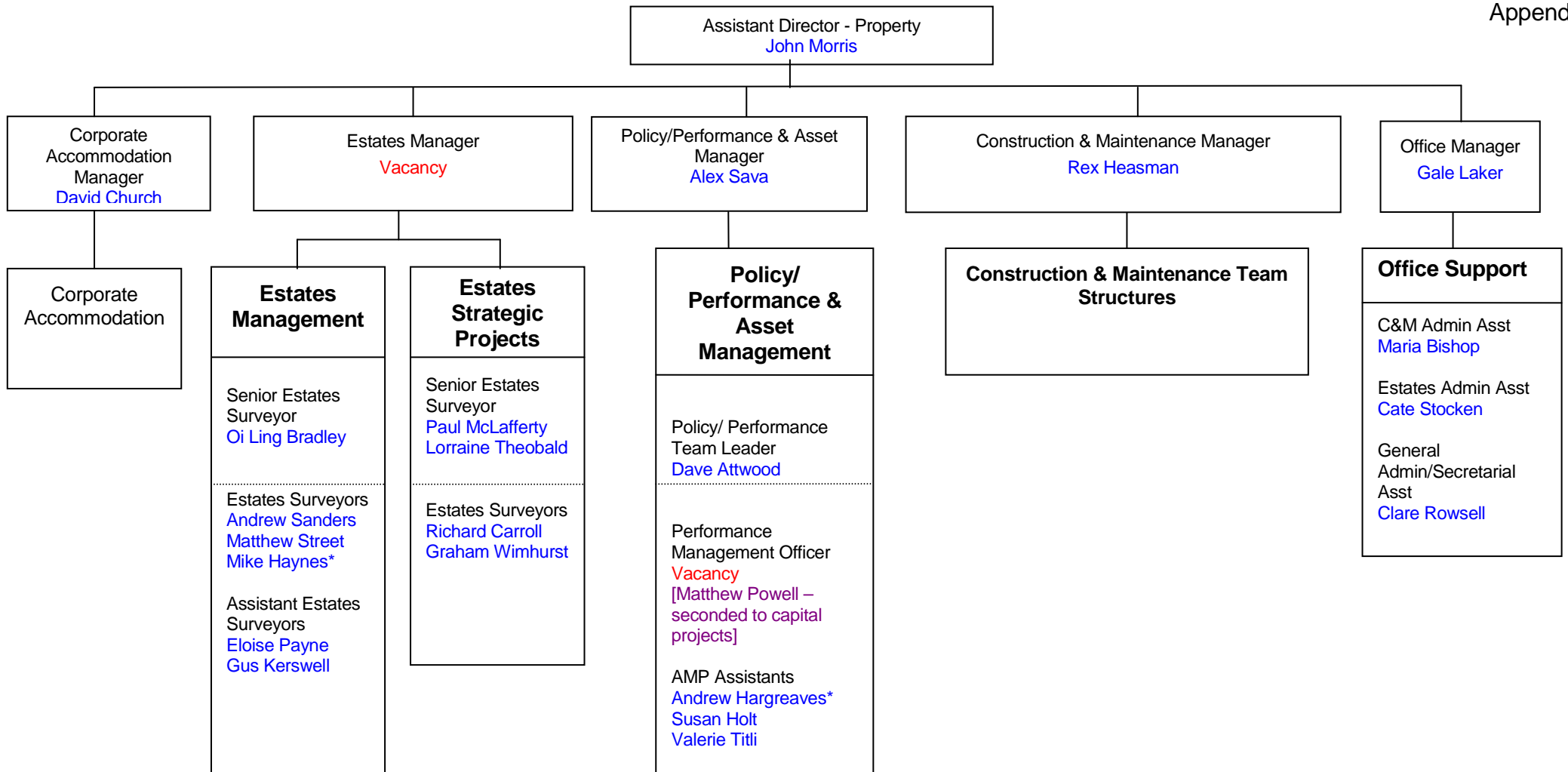
Contact Officer: John Morris

Tel No. 01273 482404

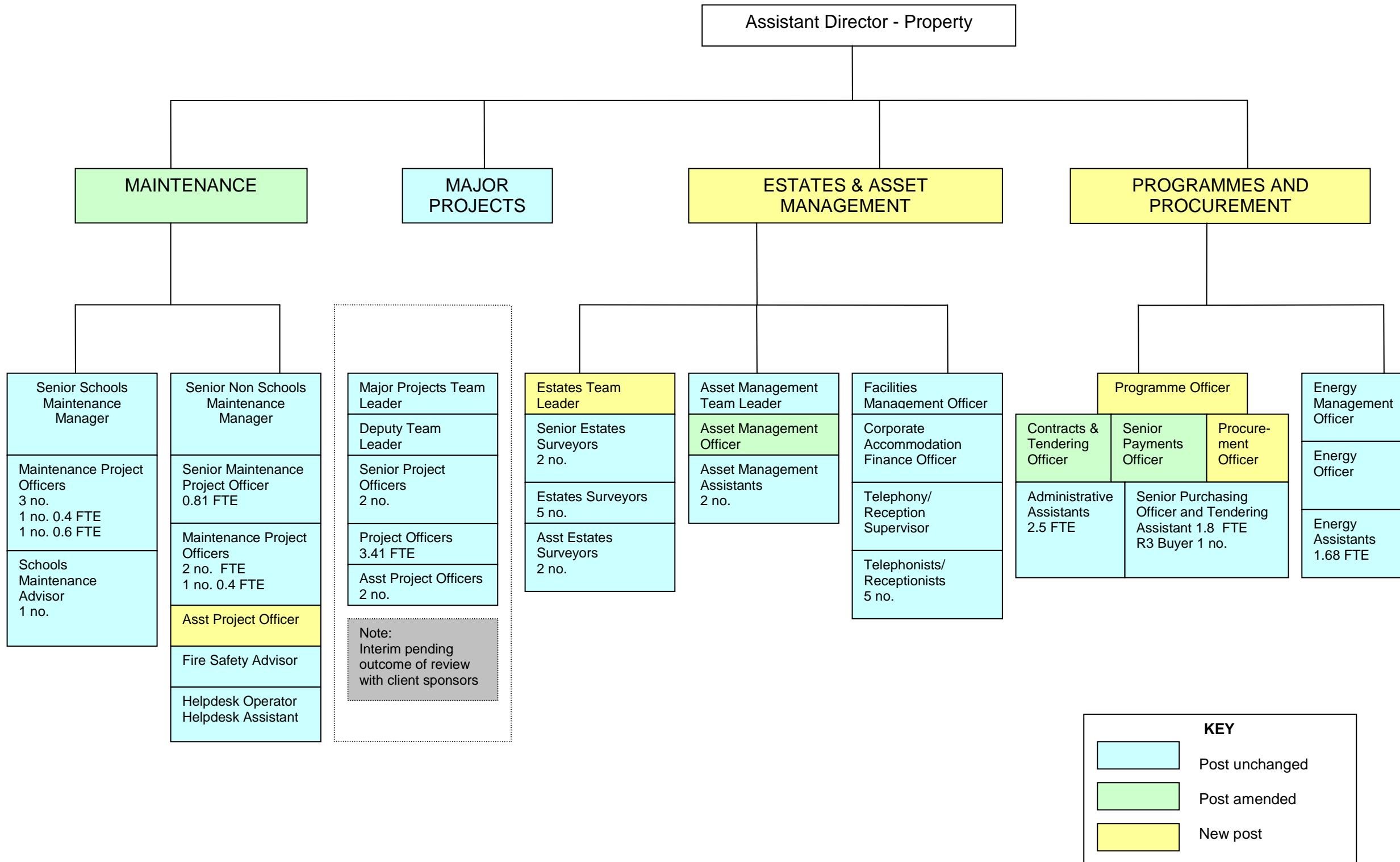
BACKGROUND DOCUMENTS

<http://www.eastsussex.gov.uk/yourcouncil/about/property/download.htm>

CRD - PROPERTY as at 11.12.08



* Agency



Major Capital Projects

Good Practice Review including the “Best of the Rest”

1. The report found that ESCC already adopts many of the good practices identified.
 - A 5 year rolling capital programme with the first two years based on costed feasibility studies.
 - Most estimates for new schemes (non highway and ICT) are provided by Corporate Resources Directorate (CRD).
 - Use of a gateway process to authorise projects at defined stages.
 - Use of a regional framework agreement for large capital schemes and other frameworks for smaller schemes.
 - Use of a ‘mixed market’ of in-house and external consultancy professional services to ensure project management and delivery.
 - Use of a range of external professional consultants rather than a single consultancy agreement.
 - CRD staff determining the make-up of the consultancy team rather than use of a lead consultant.
 - Use of a small number of proven cost consultants.
 - Use of national property performance indicators and benchmarking.
 - Post Project Reviews carried out and learnt from.
 - Clients involved in process to appoint consultants and contractors under framework agreements.

2. The review also recommended some key actions:
 - Starting the inception and feasibility work for new schemes earlier in the year.
 - Ensure that all scheme estimates are provided by CRD.
 - Developing the gateway process with formal handover from the client to CRD with sign-off of the brief.

- Cut out the duplication of officer time and effort by separating out stakeholder input from contract meetings.
- Establish one line of communication – the CRD project manager to instruct the professional teams.
- Directorate teams to:
 - develop service requirements;
 - develop project briefs;
 - act as project sponsor and chair project boards;
 - approve any scheme changes;
 - act as assertive client when liaising with end users eg schools.
- Replace the 3% internal recharge for CRD Property work on capital projects and fund corporately.
- Continue to move more work to framework arrangements.
- Introduce simplified cost and progress reports available to all stakeholders through the intranet.

3. These key actions have been built into the reviewed arrangements for both the Capital Strategy team in Children's Services Department (CSD) and the Capital Projects team within CRD Property.

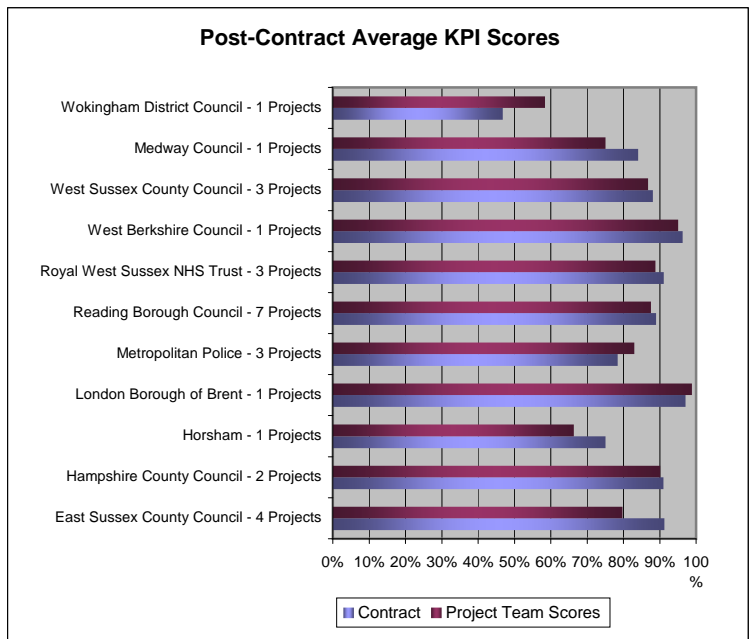
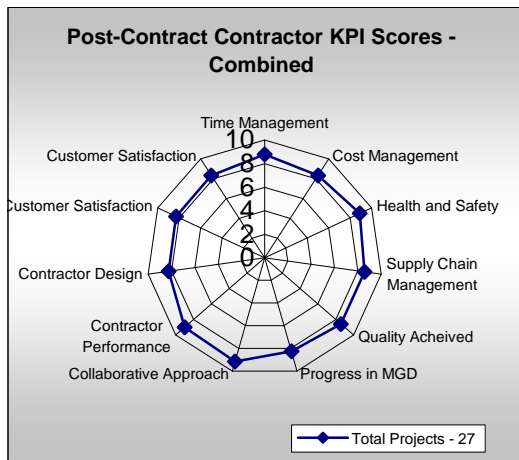
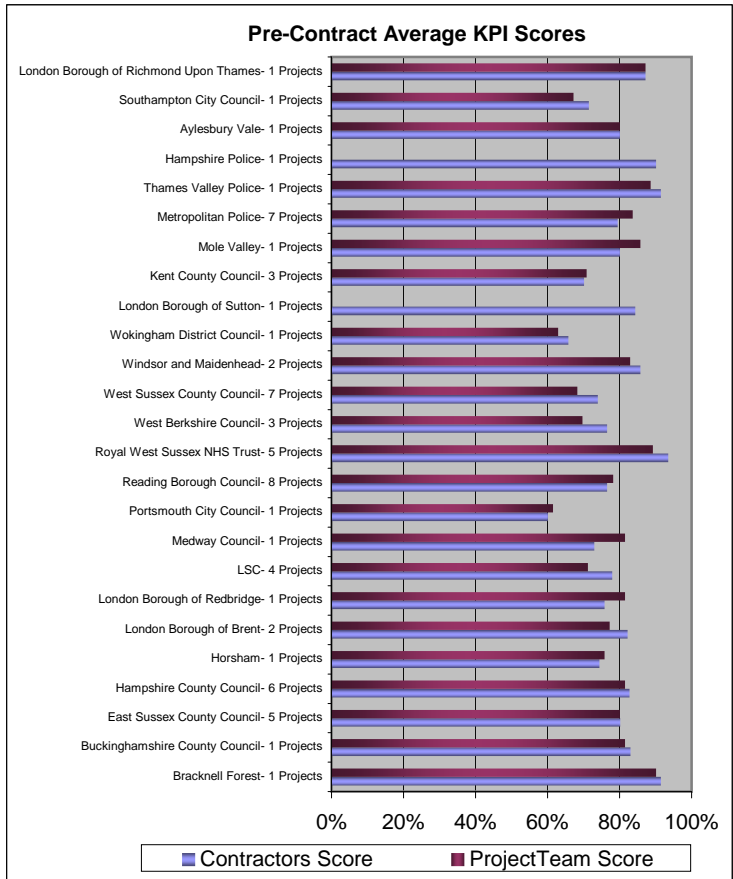
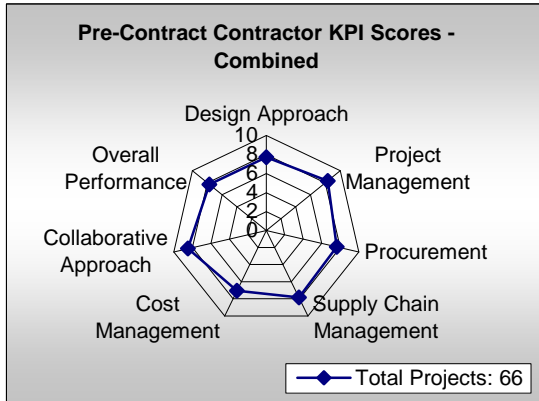
The report makes other recommendations regarding the potential growth of the capital programme to incorporate possible programmes of work in respect of academies and Building Schools for the Future. These have proved extremely useful in developing the Councils approach to these challenges.

A further theme covers a joint approach to the continuing professional development of staff in both CSD and CRD.

Authorities Dashboard Report

IESE Tier 1 Framework - as at 02.09.09

Quality Assurances - Construction KPIs



Quality Assurances - Gateway Reviews

