

Item No: 11	Classification: OPEN	Date: July 18 2006	Meeting Name: Executive
Report Title:		Marine Street – Urgency Decision	
Ward(s) or Group affected:		All	
From:		Overview & Scrutiny Committee	

RECOMMENDATIONS

1. That the executive note the review of the decision making process in the procurement of works for the re-alignment of Marine Street, part of the Bermondsey Spa redevelopment, and the following actions that have been, or will be, taken by the director of regeneration and the chief executive:
 - a. The director of regeneration will ensure all staff involved in procurement are aware of the requirements for producing Gateway One and Two reports. This will be built into project plans and progress reviewed through the routine performance management process.
 - b. The director of regeneration will ensure that there is active use of project plans, that they flag up missed deadlines, are updated, and are used routinely as part of the performance management process.
 - c. The director of regeneration will keep under review the resources required to effectively manage the regeneration programme.
 - d. The street scene and transport infrastructure manager will clarify the respective roles and responsibilities of highways, legal services, and regeneration in the decision making process on highways closures etc.
 - e. The street scene and transport infrastructure manager, in liaison with regeneration, will consider how the requests for work can be best documented and incorporated in project plans.
 - f. Constitutional support and procurement will consider how to improve awareness of the links between the procurement and wider decision- making processes (including clarifying responsibility for managing the procurement decision-making process between the business/divisional service manager and the departmental procurement coordinator).
 - g. Constitutional support will provide better guidance on the use of the urgency procedures.
 - h. The head of organisational development to include key decision-making processes in the induction for senior managers.

2. That, on the recommendation of overview & scrutiny committee, the following be added to actions resulting from the review:
 - a. No verbal advice to be given in respect of procurement issues, or, if given, to be confirmed in writing.
 - b. The relevant executive member and chair of overview & scrutiny to be notified as soon as possible when urgency procedures are likely to be necessary.
 - c. That, to avoid reoccurrence of delays in decision-making, the chief executive review procedures to ensure that interdepartmental differences are identified and resolved quickly.
3. That the executive consider the appendix to this report, an update on actions resulting from the review and a response to overview & scrutiny committee's recommendations.

BACKGROUND INFORMATION

4. In 2000 the Council agreed a masterplan for Bermondsey Spa. This included the re-alignment of Marine Street, to improve urban design, and improved sightlines to increase the safety of individuals.
5. The road re-alignment will allow a plot of land to be used by the Salmon Youth Centre to modernise and expand their facilities. The second phase of this work was scheduled to commence in July 2006 and was dependent on the Council completing the road re-alignment. If the work could not proceed then it would cost £300,000 to make phase one secure and weather proof. This gave rise to officers seeking an urgency implementation.
6. Following the request to agree the urgency implementation, Councilor Kim Humphreys, then Chair of Overview & Scrutiny, requested a review regarding failures to adopt Council procedures and the consequent need for Urgent Implementation requests. The overview & scrutiny committee considered the findings of the review at its meeting on February 27 2006. Key points arising are summarised below and within the recommendations at 1 above. The full findings of the review are set out in the report to the overview & scrutiny committee.

KEY ISSUES FOR CONSIDERATION

Overall Conclusions Of Review

7. The review highlighted the importance of complying with Council procedures relating to the Forward Plan and the authorisation of procurement by members. The prime responsibility for ensuring compliance with the Council's procedures rests with the project manager. The review revealed no financial irregularities that would indicate any impropriety or financial loss to the Council.

Forward Plan

8. The review stressed the importance of entering decisions on the forward Plan and of relevant procedural advice being available to officers. The Chief Officer makes a decision on a contract that is not a Strategic Procurement. Inclusion on the Forward Plan gives notice of a forthcoming decision, allowing for pre-scrutiny. The Forward Plan is updated monthly and covers the next 12 months. When items are included they should provide information about when the decision is likely to be taken, even if it is possible this may change.

Gateway One and Two

9. The Gateway One report sets out the strategy to be adopted in the procurement process. The Gateway Two report sets out the details of the price of the contract. The Marine Street review emphasised the importance of producing Gateway reports at the appropriate time.

Project Management and Performance Management

10. The review noted that the council has sought to improve its project management capability by adopting the Prince Two project management methodology and funding an extensive training programme. It also has a performance management scheme through which staff are set objectives, tasks, and targets, and progress monitored and reviewed.
11. The review noted some issues that arose in working across council divisions and was of the view that, if difficulties arise in future, these should prompt the active involvement of divisional service managers or Directors.

Other Council Services

12. In order to deliver this project the regeneration property division required support from other council services, notably highways and infrastructure, procurement, legal services, and constitutional support. The review emphasised that clarity of roles and responsibility, communication and documentation, and timely delivery of services are essential. Clear documentation is essential, particularly between council services, about what exactly has been agreed and what work has been commissioned and when it will be delivered.

Decision Making Processes

13. The Council has well-established decision-making processes, available on the council's intranet. The review established some key areas where information about the decision-making processes could be improved.

RECOMMENDATIONS OF OVERVIEW & SCRUTINY COMMITTEE

14. Management has already taken, or are proposing to take actions in response to the issues raised by this review (as set out at paragraph 1 above).

15. Members of the overview & scrutiny committee highlighted problems encountered in resolving issues clearly across Council departments. Any difficulties in cross-departmental working need to be addressed quickly and if necessary taken up the line of management.
16. Generally, the committee was of the view that, as soon as senior managers are aware that a situation has arisen which might necessitate the use of urgency procedures, this should be brought to the attention of the appropriate executive member and the chair of overview & scrutiny.
17. The committee recommended additional action points arising out of the review (as set out at paragraph 2 above).

CONCURRENT REPORT OF ASSISTANT BOROUGH SOLICITOR

18. The report considers difficulties that arose over the making of a key decision, and the use of the urgent implementation procedures that are set out in the Council's Constitution.
19. A "key decision" is an executive decision (which might be taken by the Executive collectively, IDM or an individual officer) which is likely:
 - to result in the council incurring expenditure or savings which are significant or
 - to be significant in terms of its effects on two or more wards.
20. This is an imprecise definition, which has been clarified by central government guidance. That guidance is incorporated in the protocol on Key Decisions contained in the Council's Constitution (Appendix 1 to the Access to Information procedure rules).
21. A key decision may not be taken unless the matter is on the forward plan and (if the decision is to be taken at a meeting of the executive or its committees) unless notice of the meeting has been given (Constitution – Access to Information procedure rule 14 and SI 2000/3272). Provision is made in the Constitution for the making of key decisions in certain circumstances notwithstanding that the decision has not been on the forward plan, or not been on for long enough. These rules about general exception, and about special urgency and urgent implementation are set out at paras 16-17 of the Access to Information procedure rules (again, derived from SI 2000/3272).

COMMUNITY IMPACT STATEMENT

22. The recommendations in this report have been judged to have no direct impact on local people and communities.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview & Scrutiny Committee agendas and minutes	Scrutiny Team Rm 3.16, Town Hall, Peckham Road, London SE5 8UB	Peter Roberts Scrutiny Project Manager T: 020 7525 4350

AUDIT TRAIL

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Report Author	Peter Roberts, Scrutiny Project Manager	
Version	Final	
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CONSULTATION WITH OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor	Yes	Yes
Director of Regeneration	Yes	
Head of Procurement	Yes	
Constitutional Team Manager	Yes	
Head of Organisational Development	Yes	
Chief Executive	Yes	