

<b>Item No.</b> <b>6</b>	<b>Classification:</b> Open	<b>Date:</b> 7 <sup>th</sup> July 2003	<b>MEETING NAME</b> Overview and Scrutiny Committee
<b>Report title:</b>		Scrutiny: Charter School Overspend	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Borough Solicitor & Secretary	

## RECOMMENDATION

1. Members are asked to note the information received to date during this scrutiny and consider whether to call for further evidence in any area or to proceed to conclusion of the inquiry.

## BACKGROUND INFORMATION

2. On 22<sup>nd</sup> October 2002 the Executive took a report on the Capital Programme for 2002-03 and asked Overview & Scrutiny Committee to investigate the reasons for, and the implications of, the overspend on Charter School and the general state of the Capital Programme.
3. On 15<sup>th</sup> January 2003 Overview & Scrutiny Committee formally agreed to proceed with scrutiny subject to confirmation of the completion dates of inquiries also being undertaken into the matter by District Audit and Atkins, Faithful & Gould - the Borough Solicitor having advised that scrutiny should seek to avoid duplication of investigations being carried out elsewhere.
4. By 6<sup>th</sup> February 2003 OSC had been advised that neither the District Audit nor W.S. Atkins reports on Charter School would be available until early 2003. However, the project specification for the District Audit inquiry was considered and the Chief Executive advised Members how they might take scrutiny forward in the absence of these two reports.
5. At its meeting on 6<sup>th</sup> February 2003 OSC agreed the following terms of reference and asked that management action be taken to address the overspend pending the completion of inquiries into and scrutiny of the matter.

*“To consider how the capital building project at the Charter School was planned, approved and monitored at Member level, and make recommendations to the Executive as to how such projects could be better managed in future, taking into account the findings of the reports arising from inquiries carried out by the District Auditor and the Director of Education.”*

6. On 19<sup>th</sup> March 2003 the Strategic Director of Education & Culture outlined the main stages of the project and the critical moments of cost variation from its inception in 1999 until the date of the last Capital Review in 2002. A list of consultants employed on the project and a sitemap was circulated. In subsequent closed session OSC Members inspected the Atkins, Faithful &

Gould report on the increase in Capital Expenditure. The closed Minutes of this meeting are presented as Appendix A to Item 500 on the closed section of this agenda.

7. During the closed section of the meeting on 19<sup>th</sup> March 2003 the Strategic Director of Education & Culture was asked to provide information to the Committee on specific points. This response is presented as Appendix B to the report at Item 500 on the closed section of this agenda.
8. On 19<sup>th</sup> May 2003, in closed session, OSC invited Charter School's Headteacher and Chair of the School's Governing Body to give their perspective on the project. The closed Minutes of this meeting are presented as Appendix C to Item 500 on the closed section of this agenda.
9. The draft District Audit report "Overview of Capital Project at The Charter School" is presented for inspection as Appendix D to the report at Item 500 on the closed section of the agenda for this meeting. The current status of this report is draft and it contains clear criticisms of individuals in the Council and individuals and organizations outside the Council. The report is circulated as an item exempt from publication. However, at such time as the report ceases to be draft it will be published in so far as confidentiality requirements permit.

## KEY ISSUES FOR CONSIDERATION

10. Members are asked to note the information received to date during this scrutiny, as summarized in this report, alongside information presented at Appendices A-D to the closed report Item 500 elsewhere on this Agenda, and to consider whether to call for further evidence in any area or to proceed to conclusion of the inquiry.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview & Scrutiny Committee <ul style="list-style-type: none"> <li>• Agendas and papers</li> <li>• Minutes</li> </ul>	Rm 3.16, Town Hall, Peckham Road, London SE5 8UB	Lucas Lundgren Scrutiny Team Tel: 0207 525 7224
Executive <ul style="list-style-type: none"> <li>• Agendas and Minutes</li> </ul>	Constitutional Support Unit Rm 3.16, Town Hall, Peckham Road, London SE5 8UB	Everton Roberts Constitutional Support Officer Tel: 0207 525 7221

### Audit Trail

Lead Officer Shelley Burke, Constitutional Support Unit Manager (Scrutiny)  
 Report Author Lucas Lundgren, Constitutional Support Officer (Scrutiny)  
 Version Final – Friday 26<sup>th</sup> June 2003

### CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER

Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	Yes	Taken into account.