

APPENDIX 1

Contract Management Action Plan

No	Recommendation	Owner	Target date	RAG Assessment
1	All Cabinet Members whose responsibilities cover contractor works ensure that they are receiving regular updates on any additional or unexpected spending on the contract. Project managers should be required to submit a written report to cabinet members detailing the reasons for the overspending and describing the knock-on effects that this will have on the delivery of the project.	Ferenc Morath	July 2011	On target
2	All additional spending on contractor works (over and above the original budget) in excess of £50,000 must be signed off by the Cabinet Member. Every Cabinet member should be encouraged to set up early warning systems to alert him/her to the likelihood of the formal threshold being reached.	Ferenc Morath	July 2011 and on-going	On target
3	All major works in excess of £50,000 which have reached Gateway 2 status should be itemised in the Quarterly Capital Monitoring Report and should be subject to Contract Standing Orders in relation to capital virements.	Ferenc Morath	July 2011 and on-going	On target
4	The sub-committee notes that since the overspending in phase 1 of the Four Squares Security works there have been numerous changes in Southwark's handling of major works. The sub-committee recommends that	Ferenc Morath	On-going	On target

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	<p>work continues to embed a professional and rigorous approach to contract management which demands the highest standards from contractors and protects Southwark Council from unacceptable levels of contract overspends</p>			
5	<p>Any Cabinet Member who becomes aware of a significant overspend on a major works contract which will impact on the council's ability to deliver on the scheme should take immediate and decisive action to deal with the situation. Either the Cabinet Member should take steps to secure the allocation of the required additional funds or ensure that ambitions for delivery should be scaled down</p>	Gerri Scott	From July 2011	On target
6	<p>In addition the cabinet member should take steps to ensure that any changes to the scheme should be communicated to affected residents in a sensitive and timely Fashion</p>	Gerri Scott	From July 2011	On target
7	<p>Major works schemes should, where ever possible, set up project boards which incorporate the residents of the proposed work areas. This would assist in lending context to planned work and help with the prioritisation of tasks. A project board with this configuration would also ensure that information filters down to the residents and help maintain project continuity.</p>	Ferenc Morath	Already in place	Completed
8	<p>The programme of works to be funded through the Capital Investment in Housing</p>	Gerri Scott	Already in place	Completed

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	<p>should be a member level decision, be it council assembly, cabinet or cabinet member and no longer be the subject of delegated officer powers.</p>			
9	<p>The sub-committee recommends that the Cabinet ask Southwark Standards Committee look at the member-officer protocol to see if it could be revised in the light of issues uncovered during this scrutiny. The Standards committee may wish to make recommendations for revision. Clearly, any change to the member officer protocol would need to be agreed by full council</p>	Gerri Scott	??	On- target
10	<p>The sub-committee recommends that that the Cabinet Member for Housing does everything in his power to identify resources that will lead to the completion of works on Marden and Layard in as short a period as possible</p>	Gerri Scott	Work agreed by Cabinet on 31 st May 2011	Completed