

Last Updated: 28/10/2016

Recommendation/Conclusion	Action(s)	Lead Officer	Started	End Date	RAG	Latest Update
Third Don Crossing Review - Sept 2016 Audit Report						
The Council should ensure that it identifies a broad range of procurement options and sets out a more balanced approach to the analysis and reporting of procurement options appraised and their risks to committees. Benchmarking and/or active networking with others who have similar requirements should also be considered for all major construction projects of this nature.	UIG - user intelligence group - bring together the stakeholders (technical, commercial, legal and financial) Proposal, business case and gateway process	Craig Innes	✓	ongoing	G	Gateway proposals drafted. New proposal and business case being developed.
The Council should also continue to support the category management model as the corporate way of doing business and mandate its use to ensure that future proposals reflect best practice across a range of technical, legal and commercial specialisms and that robust procurement strategies and risk registers are developed for all major contracts.	Deliver category management model Align contract registers to budget Procurement strategy/risk register - as above	Craig Innes	✓	30th April 2017	G	The Commercial and Procurement Service is being restructured to align resources as appropriate to address this. A programme of training will be set up in relation to strategy, process and governance with colleagues.
The Council should also continue to develop, support and promote the PMO approach that has been implemented to ensure that projects are developed in a consistent, robust and well documented manner. The allocation of clear roles and responsibilities is key requirement in delivering successful contracts.	Review, develop further and implement a consistent programme management approach	David Leslie	✓	ongoing	G	The programme management approach continues to be endorsed by the organisation. Appropriate stage gate process is in place along with supporting documentation through the Programme Management Office (PMO) along with a robust monitoring and control through the Strategic Asset and capital Board. The expectations and remits of key project roles are documented as part of the PMO toolkit and this is evidenced more in our new internal project management training delivered by the PMO.
The Council should continue to support and endorse the expanded role of the C&PS team and ensure that it is structured and resourced to support projects of this nature.	Continue to review current structure and align to demand. Develop business case and workforce plan	Craig Innes	✓	30th April 2017	G	Commercial and Procurement Services is represented at Senior level on all Boards as appropriate. Workforce planning to be in place to ensure the pipeline of forthcoming contracts is effectively resourced.
As part of the new C&PS structure, consideration should be given to a review and refresh of the existing terms and conditions available across the Council and the development of a central suite of terms and conditions that are "held" by the C&PS team rather than by individual Service Depts. Experience would suggest that this type of consolidation makes it easier and more efficient to: review and refresh conditions of contract on a periodic basis; ensure a consistent approach to how the council does its business is applied; enable lessons learned are shared across the Council with ease; and avoid duplication of effort and inconsistent commercial approaches to develop and deliver appropriate training for Service Departments.	C&PS at the start of the process (see above action) Review and standardise terms and conditions for work, services and goods (use to go out to tender). A boiler plate set of terms and conditions that are against risk and value with specialist terms and conditions underpinning that depending on project outcomes. New Lessons Learned process built into process	Craig Innes Alison Watson	✓	30th June 2017	G	Work has started by C&PS Legal Team reviewing existing T&Cs available across the Council with a view to compiling a central suite of T&Cs to be held by the C&PS Legal Team. Training has been arranged for solicitors in the C&PS Legal Team regarding industry standard construction T&Cs and how to adapt them to particular situations by way of Schedule of Amendments which properly incorporate performance measures and milestones within the contract.
Continue to support the category management model and ensure that roles and responsibilities are clearly defined and communicated. Working in this more corporate, "cross functional" way will ensure that a consistent strategic sourcing approach is followed and that a broader range of critical factors other than just price are assessed during the evaluation process. To support this, the Council should ensure that these roles and responsibilities are adequately reflected in job profiles and in the identification of training needs for staff involved in such projects.	See above Implement agreed C&PS structure	Craig Innes	✓	31st March 2017	G	Work on structure refresh has started.
Consider a review of key relationships and develop an action plan to improve them along the lines outlined above. Encourage and support key staff to be actively involved in national groups to ensure that market developments, new and innovative ways of working are being routinely considered and a culture of continuous improvement is embedded in how the Council does business with third parties.	Head of Commercial and Procurement to link up with Scottish Government and Scotland Excel and Regional Chamber of Commerce	Craig Innes	✓	ongoing	G	Engagement channels are already in place.
Consider carrying out a refreshed training needs analysis and developing an appropriate training plan and ensure that key personnel are aware of the Scottish Government's Construction Procurement Manual.	Head of Commercial and Procurement to engage with the Scottish Gov on proposed training programme and how this will be rolled out.	Craig Innes	✓	30th June 2017	G	Manual still in development
Officers ensure that all the outstanding recommendations of the audit have been fully implemented (see below)						
Procurement in Construction - May 2015 Audit Report						
<u>Scottish Government Recommendation</u> Each public body should publish annually a rolling pipeline plan of anticipated spending on construction, setting out detailed known information on timescales for pre and post-contract award including any planned phasing, the anticipated approach to market, the status of required consents, the funding model being used and whether formally approved by their governing body. These pipeline plans should be collated and held centrally, and should initially contain all anticipated work above a value of £4 million over the next two years, with a clear plan put in place to extend this to cover at least work worth £2 million or more, and a timeframe of at least three years.	Capital Plan and Contracts Register	John Quinn	✓		G	This area is being worked on and updates will be provided to Committee at the next meeting.
<u>PWC Findings</u> Departments within the Council have their own five year rolling construction budgets where possible; currently, play and green areas are only given a yearly budget and therefore cannot provide a rolling pipeline; however, they do keep a wish list for future projects. Whilst each department keeps track of their budgets, there is not presently a centralised plan covering all construction projects within the Council, whether in progress or future. Management would be happy to share such a collated plan with any Local Authority for collaboration opportunities more frequently than once annually. Each Department should collaborate internally and feed up all their current and intended projects to the Head of Procurement. The centrally held collated plan should be updated regularly and visible to any person involved in the procurement in construction process.						
<u>Scottish Government Recommendation</u> Public sector bodies involved in construction projects should be able to demonstrate that sufficient linkages are made between them. This should include consideration of appropriate opportunities for collaboration and for synergies with other programmes of work in the planning phase of all infrastructures spend; and Regional co-ordination of infrastructure spend should be considered by councils across Scotland.	See above actions	John Quinn	✓		G	This area is being worked on and updates will be provided to Committee at the next meeting.
<u>PWC Findings</u> Whilst some departments have the opportunity to use collaborative systems such as Nestrans or Scotland-Excel, not all are finding information on projects occurring within other Local Authorities as easy to come by and, as such, make one-departmental decisions more often. Each Department should collaborate internally with each other first and foremost so that the Council is fully aware of its internal Procurement in Construction opportunities. Then, the Council should implement guidance, that is easily available, that sets out various means of sharing information amongst public sector bodies in order to promote collaboration and / or synergies wherever possible.						

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<p><u>Scottish Government Recommendation</u> The existing PCA framework should be developed to ensure that it adequately assesses, reports on and helps to improve organisations' ability to procure publicly funded construction. Those carrying out the assessments should be suitably qualified to do so and all organisations procuring construction projects with public funding should undergo procurement capability assessments.</p> <p><u>PWC Findings</u> It was noted that none of the persons interviewed were aware of a PCA framework or indeed what it should consist of. The Council should consider implementing a PCA framework as a matter of priority.</p>	<p>The Council is to undergo the refreshed PCA - procurement capability improvement programme - during March 2017</p> <p>A programme of work to meet this assessment will start in Jan 2017 facilitated by C&PS</p>	Craig Innes	✓	30th June 2017	G	The Council will undertake the refreshed external Capability Audit on the 15th of March, 2017. An improvement plan will be generated from this and will be reported with findings from the Audit to Committee during June, 2017
<p><u>Scottish Government Recommendation</u> If not already established, public sector procuring authorities should work together to develop forums with locally-operating construction firms which would meet on a regular basis and include economic development teams and construction procurement staff to discuss the pipeline of work, issues and opportunities, with a view to building greater understanding, transparency and improved processes and practice.</p> <p><u>PWC Findings</u> At present there are no such forums made available to construction firms by the Council. Once set up, the Council should ensure that locally operating construction firms are aware of all future dates and times, and know that they are welcome and encouraged to attend. Measurement of these should be built into Procurement Capability Assessments.</p>	<p>Look to publish this as part of the budget setting process in February</p> <p>Lead into bespoke supplier development seminars and industry days</p>	Craig Innes	✓	30th April 2017	G	We have a supplier development programme at the moment. Supply chain will receive visibility of Capital Plan and Contract Register on a dedicated interactive website at the start of April, 2017
<p><u>Scottish Government Recommendation</u> The use of Public Contracts Scotland (PCS) Tender should be mandatory for creating ITTs, using standard question sets as the basis, and submitting tender returns – whether individual contracts or frameworks.</p> <p><u>PWC Findings</u> None of the persons interviewed were aware of PCS Tender; if it is currently being used for the tender process, there is confusion over the system name. Training may be necessary to make certain that employees are using the system correctly.</p>	Decide which projects/contracts we use PCS for	Craig Innes	✓	30th April 2017	G	All commissioning requirements with an overall value of above £50k must be published on PCS unless there is appropriate approval for exception.
<p><u>Scottish Government Recommendation</u> Action should be taken to ensure robust systems are in place to track all spending on construction by public authorities such that a complete analysis of annual public sector construction spends in Scotland can be easily available.</p> <p><u>PWC Findings</u> Currently Departments separately monitor their budgets against actual spends; however this is held internally and there is no information collated or analysed centrally within the Council.</p>	Capital Plan monitoring process	Craig Innes/John Quinn/Scott Paterson	✓	ongoing	G	This area is being worked on and updates will be provided to Committee at the next meeting.
<p><u>Scottish Government Recommendation</u> Sectorial records of project overrun costs, including what they were estimated to cost at business plan and contract award stages and actual cost on completion, should be developed and maintained so as to provide meaningful benchmark figures for the public sector in Scotland. These records should also record timescales and quality measures to enable a true assessment of performance delivery to be made.</p> <p><u>PWC Findings</u> Currently there is no evidence that Sectorial records are kept within the Council.</p>		David Leslie	✓	ongoing	G	Project close is part of the project management approach adopted by the Council through the PMO and a lessons learned exercise are now part of that process. The PMO facilitate the completion of project close and lessons learned for all capital projects. These lessons learned will be centrally consolidated and considered in the development of all new business cases.
Managing Capital Projects						
Consideration should be given to monitoring and reporting progress against business case aims and targets		David Leslie	✓	ongoing	G	Project progress continues to be reviewed and monitored by the Strategic Asset and Capital Board, facilitated by the PMO. A project health check to review all business case aims and targets has been developed and carried out. We are in the process of developing quarterly project health checks to continue to review progress against all objectives, targets and aims in the business case.
Progress reporting for capital projects should be reviewed to ensure that sufficient information is provided e.g. about costs compared to budget, key decisions, slippage etc.; and audit trails are complete to assist more effective scrutiny. It is also important that key messages are adequately signposted.		David Leslie Scott Paterson	✓	ongoing	G	Progress against each project is provided on the corporate 'Project Status Report' template and collated on the SIP and Capital Plan dashboard. The reports capture extensive detail of total project budget, current spend and forecast spend, as well as timeline of key milestones, any slippage to these and key emerging risks and issues to the project. The project updates are scrutinised by the PMO, and officer group and the Strategic Asset and Capital Board.
Lessons learnt should be collated and reported to management and elected members. As a minimum this should be done as part of the post completion evaluation		David Leslie	✓	ongoing	G	Project close is part of the project management approach adopted by the Council through the PMO and a lessons learned exercise are now part of that process. The PMO facilitate the completion of project close and lessons learned for all capital projects. These lessons learned will be centrally consolidated and considered in the development of all new business cases.
While the SIP meets a number of best practice criteria, consideration should be given to including the following - overall condition of the council estate, links between investment objectives and service needs and identify opportunities for collaboration		John Quinn	✓		G	This area is being worked on and updates will be provided to Committee at the next meeting.
The assumption in project financial models should be kept under regular review and audit trails provided to evidence significant changes		David Leslie Scott Paterson	✓	ongoing	G	This is part of the monthly monitoring cycle where forecast spend with actual is reviewed. Any major deviations are captured in the 'Project Status Report' and SIP and Capital Plan dashboard and scrutinised by the Strategic Asset and Capital Board.

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Design and develop a poster to communicate the PMO vision and role to the organisation	Heather Martin Claire Hunter	✓		G	
Set up a shared PMO space (possibly on sharepoint) to provide updates and store documents etc	Helen Miele			G	
Develop a programme approach/framework and subsequent process map	John-Paul Cleary Roddy MacTaggart	✓		G	
Draft the role of the programme manager	Margaret Pattison	✓		G	
Amend the governance guidance to be more specific on all programme/project roles and responsibilities	Claire Hunter Margaret Pattison			G	
Develop a template for a project health check/review	David Leslie Roddy MacTaggart	✓		G	
Develop a dashboard for capturing the output from the project health check/review	David Leslie Roddy MacTaggart	✓		G	
Co-ordinate the completion of the Project Health Checks	David Leslie Roddy MacTaggart			G	
Amend the Capital Plan stage gate process to include further gates and review stage gate checklists	John-Paul Cleary	✓		G	
Create a definition for the RAG status	Heather Martin Helen Miele			G	
Propose criteria for project tolerances and how contingency budgets will be managed	Heather Martin Helen Miele			G	
Amend the Lessons Learned template and process	Helen Miele	✓		G	
Amend the Business Case template and the Project Proposal template (more focussed questions)	David Leslie Claire Hunter			G	
Amend the Project Status Report template (more focussed questions around baseline, milestones, costs and issues/risks)	David Leslie Claire Hunter			G	
Amend the Dashboard template (separate sections for current status and mitigation)	David Leslie Claire Hunter			G	
Amend the Change Control template (again more focussed questions to ensure all impacts are considered).	David Leslie Claire Hunter			G	
Propose a way to combine the capital financial update and the dashboard update for committee	David Leslie			G	