

EXTRACT OF MINUTE OF ORGANISATIONAL DEVELOPMENT POLICY AND
PERFORMANCE GROUP 11 FEBRUARY 2009

5. PORT ASKAIG REDEVELOPMENT

The PPG considered a report dated 30th January 2009 by the Head of Roads & Amenity Services outlining the history of the Port Askaig redevelopment project and reporting on the contractual issues associated with the recently completed Phase 2 Marine Works contract, customer expectations and project management issues.

Decision:

It was agreed:

1. That the history of this project demonstrates systemic problems with the process for letting and monitoring large capital projects;
2. That insufficient time was given to consider the consequences of the cost increases;
- * 3. To agree to recommend to the Executive that, in view of the degree of overspend, this project be subjected to financial audit;
4. To request that the Head of Strategic Finance consider the following issues when compiling his report on procurement of large capital projects, to be submitted to the June meeting of the PPG:
 - The implementation of more robust procedures for estimating costs;
 - That it should be identified at an early stage where there are insufficient professional resources in-house to process matters relating to large capital projects, and that where such instances are highlighted consideration should be given to outsourcing such expertise, and the project pricing adjusted accordingly;
 - That legal and financial services are represented on all Project Boards;
 - Elected Members to be kept informed of any material changes to large capital projects;
 - To reaffirm the use of the Prince 2 approach to contract management;
 - That alternative options for Contractual procedures be considered for both physical works and consultancy; and
5. That Councillor Currie be provided with a copy of the Port Askaig

Redevelopment Contract, together with detail of the £120,000 spend on road repairs referred to in paragraph 3.18 of the report.

(Ref: Report dated 30th January 2009 by the Head of Roads & Amenity Services, submitted)