

MELBOURN PARISH COUNCIL

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Alternatively, please call to arrange an appointment.

23rd October 2017

COMMENTS FROM COUNCILLOR REGAN AND COUNCILLOR HALES IN RELATION TO THE CAR PARK WORKING PARTY REPORT PHASE 2

COMMENTS FROM COUNCILLOR REGAN

I have now had the opportunity to review the report and would comment as follows:

1. These comments in no way absolve me of any corporate responsibility for the management of the project which I fully accept as a Parish Council member at that time. The intent is to provide supplementary information, additional context, and add some value in support of the recommendations.
2. I totally agree with the recommendations of the report.
3. My conversations with the project manager and the construction contractor during the final account negotiation suggest that no one organisation including the Parish Council comes out of this project having performed to an acceptable standard.
4. There were key issues that in my view contributed to the failure and I believe the Section 2 of the Report would be better understood as shown as headings below prior to adding their context. Notably:
 - Project Financing in general and the state of the council reserves in particular
 - Poor financial control and management
 - Inadequate Change management controls
 - Lack of accurate record keeping in general and decision making in particular
 - Poor stakeholder engagement and communication
5. A key finance issue was availability of council reserves. These were subsequently found to be significantly under reported and had a more accurate picture of the Parish Council reserves been known at the time both the scope and the funding for the project would have been reviewed in to reflect the availability of these funds or indeed it may have been cancelled altogether.
6. The Parish Council recognised at an early stage that it did not have the necessary Project Management skills and PII to manage the project effectively and chose to commission a commercial project manager to do so on its behalf. The role of the Parish Council primarily became that of sponsor: providing the statement of requirements, the funding for the project and contracting authority. This would be a useful addition to the report particularly in the areas of documentation and communication.
7. Para 1, bullet point 2 should identify that the tender with an indicative budget price of £150k was for the appointment of the project manager in order to enable him in conjunction with the statement of requirements to assess the resource requirements for the tender for Project Management Services. The final construction tender figure of £255k approved by the Council

reflected the development of design from outline sketch plan to tender and this issue is the subject of other comments in the report.

8. Para 2 bullet point 7 clearly states that the Working Group deliberately do not assign blame or culpability to individuals involved in the car park project; no names are mentioned in the report. However Appendix 2 Draft Terms of Reference clearly identifies the names of the initial team members. The Working Group or Parish Council therefore need to agree how to deal with this and this can be achieved by either redacting the team members, providing information that the team membership was fluid and changed due to resignations or including a list of all councillors in post during the project. I cannot subscribe to the statement that the Parish Council were incompetent, I support the view that the project was mismanaged and driven by a lack of process understanding between the requirements of the construction industry and those of a Parish Council.
9. Para 4 bullet point 2, it is assumed that these comments relate to the Interserve construction contract or do they refer to the project?
10. Para 4 bullet point 4, there were clear lines of reporting notably via Planning, F&G, full Council however the issue is they were inappropriate for this project and not used effectively during differing periods (design development, tender, construction) of the project completion.
11. Para 4 conclusions, the diary of events for the project developed within the phase 1 report shows that there was some evidence of decisions being taken however these were clearly insufficient.
12. Para 5.2 bullet point 3, shared corporate responsibility is not an issue for me however I cannot challenge events of which I am not informed or given any clue as to what is going on and I suspect others feel the same. I refer again to the diary events. I do not know what I do not know. Had the Parish Council been provided with evidence that was available from the project manager and construction contractor it would have been possible to take such informed decisions and it is important that the report recognises this.
13. Para 5 final bullet point, I note the comments that any councillor resigning from the project was not in keeping with a duty to promote the well being of the community, which is incumbent on being a Parish Councillor. In my particular case my resignation letter is clear insofar as there were a number of councillors who believed they could deliver a project better, quicker, and cheaper and my resignation gave them the opportunity to do so. I cannot subscribe to the view therefore that I was not acting in the interest of the community in doing so.
14. Para 6, Whilst there is no doubt that there should have been greater public consultation there are couple of supplementary issues that the report might wish to add. Firstly the Car Park was a standing agenda item on many of the Planning meetings and any member of the public attending had the opportunity to do so. With regards to anti social behaviour the para fails to omit that the police were consulted on the most effective way to reduce anti social behaviour and they were particularly complementary on the final design. The para also fails to mention that poor lighting was also a key issue in the Requirements Document.
15. Para 9.1, bullet point 3 bullet point 2. This bullet point infers that it is unlikely that the council could have changed the final outcome and /or overspend against budget. I believe there were two opportunities. Firstly, when the two key members of the team resigned there was an opportunity to review the tender and its cost and decide whether to accept it or go down another route of procurement or reducing scope. This was never taken. Secondly, during construction when it became apparent that there was a potential overspend the contract should have been stopped and the Parish Council given the opportunity to review the components of the scheme and redesign it to fit the available budget including disruption costs whilst it came to a decision. Some attempts were made at value engineering and deleting elements. However these proved inadequate and did not reflect the scale of the cost overrun.

16. The report does not mention the decision of the Parish Council not to proceed with the offer from Banks and Long at the F&G meeting on 30/3/15 for the use of the car park.
17. The objectives of the Report should be reviewed against the TOR's discussed at the Parish Council Meeting on 24th October 2016 in order to ensure that the investigations highlighted in para 1c have been suitably reviewed and recommendations provided.

In summary it is important to note and needs to be recorded that the claim from the construction contractor was only fully known and issues understood during late 2016 and enabled the new Parish Council to take informed decisions, some 12 months after construction completion.

COMMENTS FROM COUNCILLOR HALES

I would like to emphasise that there is support for the principle of this investigation and the report recommendations are accepted, but the Parish Council does need to urgently clarify some information, address important aspects that are missing and address errors contained within it. This will serve to enhance the report, enabling the council to learn lessons and to accurately inform the public who will read the report when published.

1. Firstly there is an error/contradiction contained within the Executive Summary final paragraph where it states that “no names are mentioned in the report” – yet goes on to do so at appendix 2 and highlights only certain members. The Parish Council will need to agree how to address this anomaly in the report by either redacting the names or correcting the report to reflect the changing membership. However, the report emphasises collective responsibility, so if names *are* to be included then the Parish Council may consider naming all councillors in post at that time.
2. The covering letter to the Clerk explains that Mr Potter relinquished his role as independent chair, but this fact is not mentioned in the report. It is clear from the framing of the covering letter that Mr Potter as the independent chair was unhappy – but it is not stated why and his resignation letter is not included. Given the “unresolved differences of opinion” that the working party refers to, it is crucial that the Parish Council should first see any correspondence from Mr Potter concerning his reasons for resignation as the former independent chair, *before* the Parish Council discuss the content further.
3. The original objective of setting up the working party was to understand why a fixed price contract, almost doubled in cost. The report was commissioned by the Parish Council and I note that the working party have acknowledged this, but in the first paragraph of the executive summary, it infers that the working party have decided to broaden the scope themselves without apparent agreement from the Parish Council - hence it appears altering the original terms of reference.
4. The original objective appears to have been lost in the report as a result, as there is nothing captured to explain specifically why, when and how an overspend occurred on a *fixed price* contract – something the Council and the public want to know. There is no timeline of events or details of the refurbishment requirements in the contract that was issued vs the finished work. General Council mismanagement is cited and many of these issues were already known to the Council (and the public) as they were highlighted by a previous report, part of which was published concerning previous poor Council practices and financial oversight.

Assuming public consultation had supported the design etc – the public would still have wanted to know why a fixed price contract did not remain fixed – but this has not been addressed by the report.

5. Also crucially missing are any details about the involvement of a commercial project manager in this process, who was commissioned by the Parish Council. It would be helpful to Council to have some detailed findings of the investigation into the project management company with regard to their specific involvement in the process, terms of engagement with the council, programming of the work and their explanation as to why they saw costs escalate. The only reference to the project manager is a short sentence in section 7 which refers to the fact the company was appointed.
6. In section 5.1 a consideration not mentioned is that the Parish Clerk writes and owns the minutes which are deliberately concise. Detailed narrative is not captured, so evidence will rarely be found in minutes of full discussions, questions and challenges that occur leading up to decisions. The report may mislead the reader into thinking that Parish Council & their

committees' minutes should be an evidential paper trail of dialogue rather than a record of decisions. It would be helpful to council to understand in more detail about the information the working party expected to see that was not found - as this will again provide valuable lessons.

7. Parish Council meetings during the phase 2 investigation saw Councillors and public challenging the withholding of information regarding the car park in 2016, resulting in a councillor walking out of one meeting. This does not appear to have been recalled and included, although some members of the working party had been in attendance.
8. It has not been emphasised that the decision taken to proceed with the project was based on financial information provided to Council at the time by the RFO. Report readers might construe that the decision was taken *in* the knowledge of the true financial position. This only came to light much later. However the Council's collective responsibility, for overall poor financial management is of course acknowledged regardless.
9. With regard to the opinion expressed on the resignation of some members in the context of "interest to the community", the motivation for the resignations appears to have been wrongly assumed. Some members of the council stated that they could deliver the car park project more cost effectively and efficiently before any contract was awarded, so those councillors stepped aside to enable others to lead and bring to Council alternatives or to proceed in their place. There was every opportunity to stop and take a new direction, so the comment in the report that the contract took on "its own momentum" is not understood and Council would benefit from some explanation about what the Working Party means by this and how they drew this conclusion.
10. Finally there appears to be commentary on the Hub's finances, threaded continually through the entire report, as a result no doubt, of the scope being widened by the working party. Any financial context necessary to set the car park against, should only refer to the state of the Council's finances at that time and it is unhelpful to include narrative about another project and offer opinion as that is outside of the Parish Council's required scope of the investigation.

Councillor Jose Hales