

Terms of Reference

Contract procedures review - William Penn centre

Three Rivers District Council

26 October 2010

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1 Terms of reference

1.1 Introduction and background

Three Rivers District Council ("the Council") agreed to redevelop the William Penn leisure centre in 2007. The project was delivered after the agreed completion date and over budget. The Council had appointed a consultant, WS Atkins, to oversee the contract to redevelop the leisure centre. WS Atkins engaged the services of the contractor, Gee Construction, to perform the work. Legal action in respect of this matter is ongoing.

The Council has raised a number of concerns in respect of terms of the compliance with the Council's contract procedures regarding the appointment, type of contract used and the termination of the contract. In addition, the Council are seeking advice on how to improve to become a more intelligent client in the context of wider developments in local government hastened by the recent Spending Review.

1.2 Scope and objectives

Stage 1, initial review:

- To briefly consider the business case for the redevelopment and the associated procedures that led to the adopted contractual approach;
- To review and confirm that the Council's procedures for appointment of contractors were correctly followed;
- Review and comment on the appropriateness of the form of the contract adopted;

Stage 2, to commence only upon completion of any legal action regarding the case has been concluded:

- Comment upon what steps the Council could have taken in order to act as an intelligent client;
- Confirm the decision to terminate the contractors was taken in accordance with Council procedures;
- Comment upon further steps that the Council could have taken in order to minimise costs incurred.

1.3 Audit approach (phase 1)

- Review of contract procedures and other key documentation associated with the transaction including reports to council meetings;
- Discussions with key officers, members and other stakeholders as appropriate.

1.4 Reporting and timescales

The review will be carried out as follows:

Set up meeting	November 2010
Fieldwork	November 2010
Summary report	January 2011

1.5 Audit personnel and key contacts

Grant Thornton staff involved in the work will be as follows: We will be using specialists from outside of the audit team to take an independent view.

Paul Dossett	Partner
Phil Westerman, Head of Construction	Partner
Guy Clifton, Government and Infrastructure Advisory	Associate Director
Other specialists as appropriate	TBC

Philip Westerman, currently serves as the appointed auditor for Hertsmere BC and North Herts DC. He will take a supervisory role in the part two review when it commences.

Guy Clifton, has performed a number of similar reviews previously, including East Herts DC.

1.6 Fees

Fees for phase one will be at a discounted rate of [REDACTED] per day for specialist advice. We anticipate the project taking 6 days at phase 1 including set up meetings, review of documentation and initial reporting.

1.7 Status of our reports

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- any third party.

2 Curriculum Vitae's

Phil Westerman

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Experience

- Phil heads up audit and assurance within our national Property and Construction Group
- He has a substantial portfolio of clients within these sectors which are a mixture of privately owned and publicly listed entities, operating in the UK and internationally
- Current clients include Helical Bar plc, Tilfen Land Limited, London & Newcastle Group Limited, May Gurney Integrated Services plc, Equest Balkan Properties plc and Itacare Capital Investments Limited.
- public sector clients include North Hertfordshire DC and Hertsmere BC.

Guy Clifton

Associate Director

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Role

- Guy is an Associate Director within the Government and Infrastructure Advisory team. He joined Grant Thornton when we merged with RSM Robson Rhodes in 2007, where he worked as a Managing Consultant in public sector consulting. Guy spent five years at Robson Rhodes in their public sector consultancy practice.
- Prior to this he spent 12 years in local government holding a number of operational roles, including Head of Finance of a London Borough.

Experience

- high level review of financial planning, financial systems, financial management, financial regulations, financial controls and financial accountabilities for Surrey County Council to ensure they were fit for purpose in advance of the implementation of an efficiency driven corporate restructuring exercise. Guy was re-engaged to support the implementation of a number of key recommendations from the initial review, including the development of a zero based budgeting methodology and corporate financial framework
- programme management of a review of Financial Services and Procurement for Dorset County Council. This review evaluated and prioritised services for efficiency review, and developed a methodology for detailed efficiency reviews. We were re-engaged by the Council to undertake the detailed process improvement and organisational design based efficiency reviews of the services identified during phase one. This included payments, accountancy and procurement

- medium term financial planning support for Northamptonshire County Council. This assignment included the development of a corporate process improvement toolkit for the client to use on future efficiency reviews, combining activity based costing with business process review techniques.
- development of the Outline Business Case for a strategic service partnership for the property function of Devon County Council, including the financial modelling of partnership options under consideration
- strategic review of procurement for Wiltshire County Council
- overspend reviews for Leicester City Council and Merton Council
- review of business case for "Changing the Way we work" at East Herts DC;
- review of "One Barnet" business case at LB Barnet.



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