

AUDIT AND GOVERNANCE COMMITTEE**Skanska Highways Contract Audit****Purpose**

1. **To provide a quick update on Governance arrangements and the new payment management system**

Governance Overview

2. The departure of Steve Smith (Head of Commissioning) and Rebecca Harwood (Highway Contracts Manager) meant that some of the responsibilities around the Skanska contract governance needed to be updated and re-established. This has been done.
3. There will also be a need to evolve and update the governance as the Commissioning Hub (as part of the provision cycle redesign) is established and the new Environment & Place directorate is evolved with the new Corporate Director.
4. The governance arrangements that are now currently in place to manage the contract and its performance are identified below.

Strategic Partnering Board: Chaired by Relevant Cabinet Member, attended by Senior OCC and Skanska leadership team. Frequency is quarterly (unless greater frequency required). Has specific responsibilities as defined in the contract plus acts as escalation from the Highways Operations Board. This last met mid Oct, with the next meeting planned late January.

Highways Operation Board: Chaired by OCC Assistant Director, attended by senior OCC and Skanska officers, with operational group leads providing updates and escalated issues for decision/action. Frequency is monthly. The Operational Groups are:

- Contract Management Group (Chair - Sean Rooney)
 - Capital Programme Group (Chair - Declan Moss)
 - Operations & Revenue Group (Chair - Su Brant)
 - Quality & Safety Executive (Chair - Richard Lovewell)
5. There are also specific responsibilities defined in the contract in relation the Transport Service Manager functions. This role has now been assigned to Sean Rooney (Head of Highway Maintenance).

Payment Management System

6. The existing payment management system 'Skanworks', is being replaced by Skanska as part of a company wide initiative. Whilst Skanska did manage to eventually get the system functioning so that it delivered what was necessary for Oxfordshire, this was

through a number of 'fixes'. The system is relatively old at 5 years and IT advancements have meant there are better products now available.

7. Skanska is familiar with the Causeway system from a finance perspective, and over the past few years Causeway have been developing their offering around operational management and mobile working whereas SkanWorks required (and still does) development to achieve this.
8. The impact is expected to be minimal. Oxfordshire (intentionally) are the final highways contract to receive Causeway in the roll-out. It is currently live in all their other contracts.
9. Devon has the same Client system (WDM) as us, and there are the same Skanska personnel working with the OCC team to ensure that the interface is functional and robust. There is therefore a high level of confidence that problems (if any) will be minimal.
10. As well as the technical aspect of the system delivery, staff engagement sessions have taken place and training sessions being planned to ensure it is familiar to staff who will need to use it.
11. Weekly meetings to check on risks, progress to programme and issues are held between OCC and Skanska project leads and Paul Fermer (Assistant Director). The plan is to have Causeway fully operational by early March, the existing system will only be switched off once there is full confidence in the new system.

Report by Jason Russell, Corporate Director – Communities
Contact Officer Paul Fermer, Assistant Director – Community Operations

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