

CITY OF  
WOLVERHAMPTON  
COUNCIL

# Audit and Risk Committee

10 December 2018

<b>Report title</b>	Capital Projects Lessons Learnt – Progress Update	
<b>Accountable director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Audit	
<b>Accountable employee(s)</b>	Peter Farrow Tel Email	Head of Audit 01902 554460 <a href="mailto:peter.farrow@wolverhampton.gov.uk">peter.farrow@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>		

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## Recommendation for noting:

The Audit and Risk Committee is asked to note:

1. The progress made in implementing the lessons learnt recommendations in respect of the Civic Halls Restoration programme that was originally reported to the Council's Audit and Risk Committee on 25 June 2018.

## **1.0 Purpose**

- 1.1 That the Audit and Risk Committee note the contents of this report.
- 1.2 The report provides an update on the progress made in implementing the lessons learnt recommendations specifically in respect of the Civic Halls Restoration programme. This report was presented as part of three capital projects that were reported to the Audit and Risk Committee on 25 June 2018. At this meeting it was agreed that regular updates would be provided to the Committee in terms of the progress made in implementing the recommendations.
- 1.3 An update report on the progress made in implementing the recommendations in all three reports was presented to the Audit and Risk Committee on 17 September 2018. At this meeting the Committee raised a number of questions specifically in request of the Civic Halls Restoration programme. At this meeting it was agreed that the Programme Director (Darren Baker) would attend the next meeting to provide the Audit and Risk Committee with an update on the progress made in implementing the recommendations made in the lessons learnt report. It was also agreed that a site visit of the Civic Halls would be arranged for members of the Audit and Risk Committee.

## **2.0 Background**

- 2.1 The Council's former Managing Director commissioned Audit Services to undertake a lessons learnt review for three capital projects, which included the Markets Relocation, Interchange Project (Train Station), and Civic Halls Refurbishment.
- 2.2 As a learning organisation the Council is committed to being open and transparent about what it can learn and improve in the future. Therefore, the former Managing Director took the decision to present all three reports to the Council's Audit and Risk Committee on 25 June 2018.
- 2.3 As a result of all three reports being presented, the Council's Audit and Risk Committee requested that regular updates were provided on the progress made in implementing the recommendations in the reports

## **3.0 Progress update on the Civic Halls Restoration Programme**

- 3.1 Following the previous meeting on 17 September 2018 members of the Audit and Risk Committee were invited on a tour of the Civic Halls on 6 November 2018 to observe the work completed to date and appreciate the complexities of the restoration.
- 3.2 Following the three lessons learnt reports the governance around projects and programmes was strengthened through the establishment of a Members Reference Group. This forum allows Councillors to keep apprised of all major capital projects and programmes as well as giving them the opportunity raise any questions, or seek clarification, on their delivery. This view was supported by the Council's Strategic

Executive Board and therefore the programme's risk was reduced from red to amber in the Council's Strategic Risk Register.

- 3.3 The focus of the Audit and Risk Committee is on the implementation of the wider project control recommendations arising from the lessons learnt reports control rather than the financial monitoring and delivery of the actual programme.
- 3.4 Based on a highlight report that was recently reported to the Council's Members Reference Group the following progress has been made in respect of the Civic Halls Restoration Programme:
- The risk surrounding the delivery of the programme has reduced from red to amber based on the fact there is now a plan in place to address the issues around the budget, programme delivery, design philosophy, and the procurement strategy.
  - There is continuing work in the clearance of asbestos, which will allow the construction contractors to commence work once a detailed design has been signed off.
  - Stabilisation of the programme's financial position, which will still be subject to continuous review.
  - Completion of a risk workshop which was delivered and facilitated by a specialist consultant.
  - Listed Building Consent granted for the removal of the ceilings in the Civic and Wulfrun Halls and the removal of the Organ loft and pipes. This was further supported by a decision by the Programme's Board to approve the removal of the organ and associated pipes.
  - Successful delivery of the darts event that was relocated to Aldersley Leisure Village.
- 3.5 The programme is currently awaiting the detailed design from scheme's architects in order that approval of the scheme's design can be approved in time to allow the commencement of phase two in March 2019.
- 3.6 At the previous meeting on 17 September 2018 the Committee also requested an update on the action to be taken against contractors/advisors, which were specific recommendations contained within the original lessons learnt report. Based on information provided by the Director of Commercial Services legal action was not being pursued against the original asbestos consultants and removal contractors as they were not afforded the opportunity to return on site to address the issues raised with them. However, legal action is still being explored in respect of the Council's previous Property Services Strategic Partner for the part recovery of costs. Due to the commercial sensitivities around these discussions no further information can be provided at present.
- 3.7 Audit Services continue to monitor and track the progress made in implementing the report's recommendations. In addition, to the lessons learnt recommendations made in the three reports, the following monitoring takes place:

- Strategic Executive Board receives regular updates on the progress made in implementing the lessons learnt recommendations and also receives regular updates on the progress of all the Council's major projects and programmes;
- The Council's Project Assurance Group regularly reviews the Council's projects and programmes;
- Councillor updates are provided by a designated Member Reference Group, which has cross party representation; and
- Additional training has been provided for Senior Responsible Officers, which is supported by the requirement to sign an accountable letter which clearly sets out their roles and responsibilities in overseeing the project or programme.

#### **4.0 Financial implications**

- 4.1 There are no direct financial implications arising from the recommendations in this report.  
[MH/28112018/V]

#### **5.0 Legal implications**

- 5.1 There are no legal implications arising from the recommendations in this report.  
[TS/28112018/W]

#### **6.0 Equalities implications**

- 6.1 There are no equalities implications arising from the recommendations in this report.

#### **7.0 Environmental implications**

- 7.1 There are no environmental implications arising from the recommendations in this report.

#### **8.0 Human resources implications**

- 8.1 The report outlines the absolute necessity of ensuring that qualified and competent people and organisations are employed and/or deployed onto large capital programmes.

#### **9.0 Corporate landlord implications**

- 9.1 There are no corporate landlord implications arising from the recommendations in this report.

#### **10.0 Health & well-being implications**

- 10.1 There are no health and well-being implications arising from the recommendations in this report.

#### **11.0 Schedule of background papers**

- 11.1 None.