

Internal Audit Report: Markets Relocation – Lessons Learnt (2017-2018)

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1 Executive Summary

1.1 Introduction

In January 2018 the Council's Managing Director commissioned Audit Services to undertake a lessons learnt review of three high profile projects within the City. These three projects have been subject to adverse publicity in terms of implementation delays and overspends and therefore pose a reputational risk to the Council. This report specifically relates to the relocation of the City's market.

The Market Relocation Project was set up to relocate the existing market from Market Square/ Salop Street to an operational public car park operated and owned by the Council. The project included:-

- the relocation of existing shipping containers that act as retail and storing units;
- new outdoor market units;
- a management suite;
- public toilets;
- new retail cabins
- new shopmobility to be relocated from Wulfrun Centre;
- new trader car park; and
- relocation of existing waste compactor.

1.2 Scope of the review

A terms of reference was provided by the Managing Director outlining the scope of the review. This included the following:

- Production of a detailed timeline of events
- The process for determining an "early indication figure" for budgetary purposes and the impact this is having on the project
- Establish what caused the project to fail
- Identify the actual changes to the specification, and the resulting increase in costs
- Review the governance arrangements for the project
- Review the resourcing arrangements for the project in terms of effectiveness
- Ascertain whether the project would have benefited from early intervention from various sources i.e. political support or external specialists
- Ascertain whether there was any good practice or lessons already being learnt on the project
- Review the procurement arrangements to ensure best practice was followed in the procurement of contractors
- Review the project risk management arrangements for the establishment of contingency costs
- Provide an opinion on how the Council can follow best practice in order to avoid the guesstimate of the programme being considerably different from the actual budget
- Review external funding arrangements to ensure the Council is maximising its funding opportunities
- Review the programme to ascertain whether subsequent issues could have been identified earlier

- Seek external advice in terms of how best practice could have been applied to this project

In order to assist Audit Services with this review specialist external support was obtained from an external consultant from supplier B. Who primarily specialise in project risk management.

For the purpose of this review discussions were held with the following officers to help form the findings of this review:

Projects and Programmes Manager
Project and Resources Manager
Service Director for Commercial Services
Assistant Category Manager
Head of Business Services (formerly Head of Governance)
Regeneration Manager

It should be noted that the Council's external auditors were invited to provide their opinion of the project and provide examples of good practice that could be applied, where appropriate. They concluded it would not be appropriate to provide an opinion on this project as to do so, would potentially fetter their discretion, as they anticipated reviewing it as part of their future work in relation to their value for money conclusion.

1.3 Acknowledgement

A number of employees gave their time and co-operation during the course of this review. We would like to record our thanks to all of the individuals concerned.

2 Management Summary/Conclusion

2.1 Following a detailed review of the timeline of events, and the findings detailed below, we have identified a number of issues where lessons could have been learnt. These are as follows:

- The governance arrangements for approving the project and seeking agreement to additional funding were deemed satisfactory. There was however a lack of detail in meeting minutes to explain how and why the original budget decision was made. Options were provided for discussion but these options were not formally presented and discussed at any Board or Council meeting. Based on information provided by officers interviewed as part of the review it was established that the original budget figure of £2.5m was agreed with the Leader of the Council and a modified project plan was produced as a result.
- It is our view that the budget that was originally approved for the scheme was insufficient and did not consider the full implications of the estimated costing information provided in the feasibility studies. In addition, the costs initially reported were outline anticipated project costs and were not based on a full detailed design of the scheme
- There were several pressures affecting the project, resulting in prompt decisions having to be made. The main driver for the relocation of the market was to enable the development of Westside and there was a deadline in place for vacant possession of the site. This impacted upon the project timeline. Bidders were given one month to respond to the advert and the work was to be completed by 3 December 2017. Consequently, the tender process resulted in only one bidder, supplier H, who had already been involved in the first phase of the market relocation and would have been aware of the time pressures the Council were under to complete the project. Supplier H may have viewed the project as challenging and this resulted in higher levels of contingency in their tender bid.
- A key issue in this review has been the lack of project information being held in one place. A timeline of key decisions and reports did not exist. In order to follow the Council's adopted project management approach all information should be on Verto, the Council's corporate project management system, but this was found not to be the case. At the start of the review the information that had been recorded in respect of the relocation of the markets was inadequate and out-of-date. The project managers from supplier A were appointed to oversee the delivery of the project. At the time of this review all project documentation (i.e. gant charts, risk assessments etc) were held by them and not the Council. Therefore, there is a risk the Council does not hold project management information in the event of query or challenge.
- This project had been referred to the Project Assurance Group (PAG) on 15 May 2017, but the Project Manager did not attend. The PAG minutes stated that further clarification was required on the funding for this project. However, the market relocation project was not brought back to the PAG. This project was also not listed on the forward plan or action log.
- The project had a project board and we were advised that regular meetings were held. However, formal minutes of these meetings detailing matters discussed, issues arising

and decisions made were not available, although we were advised that email correspondence was available to support matters discussed.

2.2 All the lessons learned from this review are summarised under section six of this report.

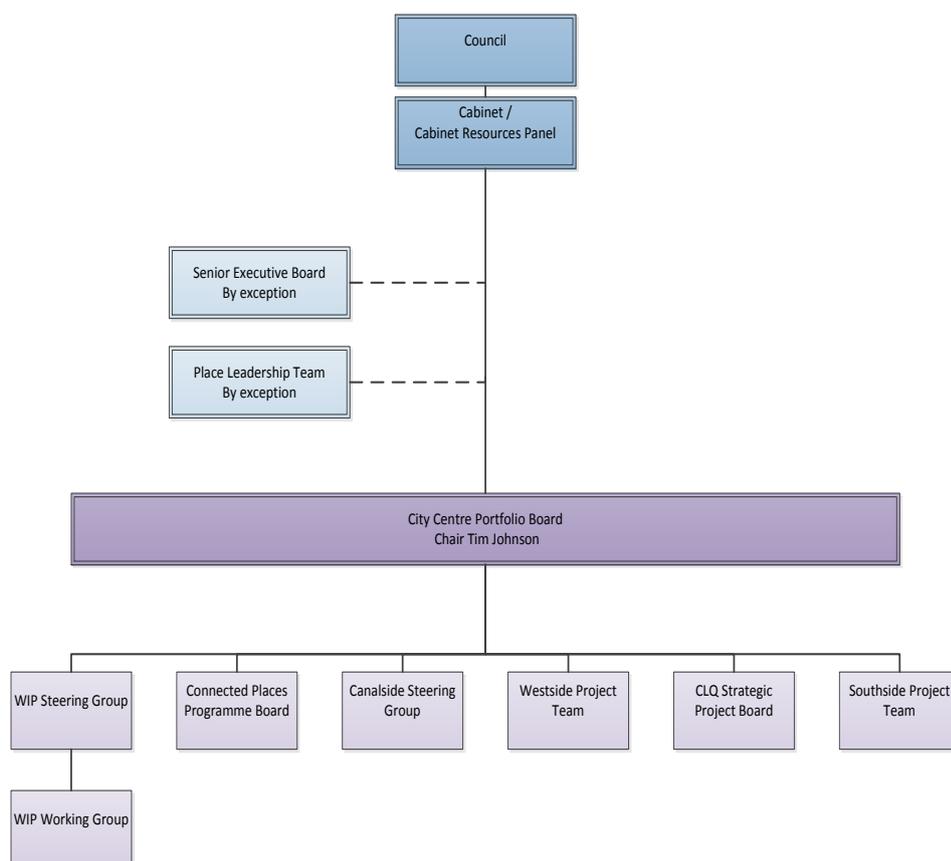
3 Background Information

- 3.1 A report was presented to Cabinet on 18 January 2017 seeking approval to relocate the market to the Snow Hill site at Southside. This was necessary to enable developers to deliver their scheme at Westside. The target date for opening the new market is May 2018.
- 3.2 The project included:-
- the relocation of existing shipping containers that act as retail and storage units;
 - new outdoor market units;
 - a management suite;
 - public toilets;
 - new retail cabins;
 - shopmobility to be relocated from the Wulfrun Centre;
 - new trader car park; and
 - relocation of existing waste compactor.
- 3.3 An initial feasibility study was carried out by supplier A and approval was given by the Strategic Executive Board (SEB) and Cabinet to proceed with the project and a budget of £2.5m was agreed to be funded from the capital programme.
- 3.4 Following a competitive tender process, the budget required to complete the scheme rose to £4.9m. The appropriate approvals were sought and received from Cabinet for the funding of the project.
- 3.5 In October 2017 supplier H were appointed as the approved contractor. At the time of this review the project was still in progress.

4 Detailed Findings

4.1 Governance arrangements

4.1.1 The governance arrangements for the Market Relocation Project, which fall under the Southside Project Team, are set out below:-



(this is an extract from the City Centre Portfolio Board's terms of reference)

4.1.2 The Head of Governance was the nominated Senior Responsible Officer for this project. In order to oversee the delivery of the project a Market Relocation Programme Board was established. The Board reports directly to the Strategic Director Place (Deputy Managing Director) and the Cabinet Member for City Environment. The membership of the Board is made up of the following officers:

Title	Project or Programme Role
Head of Governance	Senior Responsible Officer
City Centre Regeneration Manager	Project and Programme Manager
Supplier A's Project Manager	Project Manager
Markets General Manager	Senior User

4.1.3 On 5 December 2016 the Executive Team endorsed the approach for relocating the retail market from Westside to the Snow Hill site at Southside. This was done to secure a date for achieving vacant possession of Westside, thereby enabling the Council to enter into a contract with the scheme's developers for the delivery of the Westside regeneration. At this meeting it was agreed that *'A future report will be prepared on the business case for the revised market on Southside including detailed costs and funding options.'*

4.2 Options for relocation

4.2.1 Three feasibility options had been scoped out by supplier A, who had recently completed a similar markets project in Leicester City Centre. These options were presented to the Executive Team on 5 December 2016. The options were as follows:

Option	Detail	Estimated Cost £	Issues
1	Inclusive of covered structure, landscaping and markets management suite.	4,850,000	Expensive and cannot be completed within the timescales set out by Westside's developers.
2	As option 1 but excluding the roof structure.	3,305,000	
3	Move existing market to new site only.	2,145,000	This is a 'lift and shift' option but it is unlikely to satisfy traders who had aspirations for an improved provision as part of a long-term offer.

4.2.2 It should be noted that the feasibility study provided by supplier A included the following information:

- The estimate is feasibility only;
- No layouts provided;
- Estimate based upon massing of existing market;
- No survey information available;
- No discussion with planners;
- No input from any design professional;
- Inflation excluded; and
- Excludes party wall /neighbour issues.

In our view this would indicate that the costs indicated in the table above were indicative only and likely to increase.

4.2.3 It was highlighted in the report that whilst the cost of delivering any of these options was significant, it would enable the developers to deliver their scheme at Westside which would bring £55 million investment into the city centre, along with over 550 new jobs. The investment would also ensure delivery of an improved markets offer in a more sustainable location. A future report was to be prepared on the business case for the revised market on Southside including detailed costs and funding options.

4.2.4 On 20 December 2016 a presentation from the Head of Regeneration and Head of Governance was made to the Strategic Executive Board setting out the rationale for

relocating the markets to Snow Hill following engagement with the Westside developer. An examination of the meeting's minutes confirmed that the following matters were resolved:

- To support the initial conceptual proposals for the relocated city centre market;
- To report the capital expenditure implications to Cabinet at its January meeting, with delegated authority to the Cabinet member to approve project costs;
- To present the proposals to the Leader in the new year; and
- To work towards incorporating Shop Mobility into the site.

However, it was noted from the minutes that the actual costs of the scheme were not recorded.

4.2.5 We were advised by the project's Senior Responsible Officer (SRO) and the Project Manager that a meeting was held with the Leader of the Council and the Managing Director on 9 January 2017. The SRO was advised by the Leader of the Council that options one and two were not going to be achievable as the maximum budget available for this scheme was £2.5 million. We were advised that the budget of £2.5 million was based on the estimated land sale capital receipt at Westside.

4.2.6 The Westside Delivery Strategy update was presented to Cabinet on 18 January 2017. The report highlighted that the challenge set for the professional team was to achieve relocation of the market in a timescale that was compatible with the developer's aspirations to be onsite by late 2017. Failure to do so would expose the Council to both criticisms from existing traders and a potential claim from the developer as a consequence of not meeting the Council's commitment to achieving vacant possession. To meet these timescales a phased approach was proposed. The costs associated with each phase is detailed below:

Phase	Comprising	Programme	Estimated Cost
1	Site preparation, lift and shift and new market suite, comprising 48 tented stalls and additional lock ups and freezer units	Complete November 2017	£2,000,000
2	Remodel and resurface car park for trader parking and offload, provision of permanent compactor	Complete February 2018	£250,000
Site Risks	To cover unforeseen diversion works, road improvements and resurfacing		£250,000
TOTAL			£2,500,000

4.2.7 The consideration of the three feasibility options detailed in 4.2.1 did not get a full airing at a particular board or Council meeting. The Cabinet were not presented with any alternative programmes or costs to consider.

4.2.8 Minutes of the Cabinet meeting concluded the following items were resolved in respect of the Markets Relocation: -

- That the strategy to relocate the retail market to the Snow Hill site at Southside be approved;
- That a budget of £2.5 million for the relocation of the retail market be agreed; and
- That it be noted, the Capital budget quarter three monitoring 2016/17 report to Council would seek approval to a budget of £2.5 million for the market relocation, in the event

that Cabinet approve the strategy to relocate the retail market to the Snow Hill site at Southside.

Lesson learnt 1: For future projects considerations around options appraisals should be formally recorded so there is an audit trail of discussions and decisions made.

4.2.9 On 23 January 2017 a briefing note was prepared and submitted to the City Centre Programme Board detailing the appointment of the design team. Five options with pros and cons were presented and it was recommended that supplier A be appointed as lead consultant. Supplier A were appointed under the Council's framework agreement for asset management, surveying and design services.

4.2.10 A report was presented to SEB on 14 March 2017 giving an update on the scheme, advising that supplier A had been appointed to project manage the relocation process. Additional work had been identified following trader engagement. This amounted to £470,000. A breakdown of these costs is set out in the table below:

Ref	Details	Cost
A	Stalls/Canopy	£120,000
B	Servicing Strategy	£50,000
C	Shopmobility	£90,000
D	Café Canopy	£50,000
E	Cabins	£60,000
F	Branding costs to compliment leaves and light	£40,000
G	Fees (including leaves and light)	£60,000
TOTAL		£470,000

4.2.11 This brought the project cost up to £2.97 million, which included a contingency budget of £300,000. The report advised that as of 1 March 2017 the Market Relocation Scheme was in the Council's Capital Programme and any variances would need to be reported back to Council through the quarterly monitoring reports.

4.2.12 On 28 March 2017 the Cabinet Resources Panel agreed to the appointment of supplier A for one year (1 April 2017 to 31 March 2018) amounting to a contract value of £222,431. A work task order was produced and authorised by Legal Services on 29 March 2017.

4.2.13 The invitation to tender for the relocation of the City's outdoor market, including provision of new stalls, stores, market suite, shop mobility toilets and associated infrastructure, was published on the procurement portal on 2 May 2017 with a closing date of 6 June 2017. This detailed an estimated contract value of £2.4 million.

4.2.14 The timescales for the project were very tight. The works were to be completed in two sections as follows:

- Section 1 - Completion of construction work including the relocation of cabins by 17 November 2017 to allow access to site by the traders and market staff to re-open the

market on 22 November 2017. The existing market to cease trading Saturday 4 November 2017 allowing a two week window to relocate the cabins and undertake any specified alterations. Works to be completed in Phase 1 comprise: Everything to allow the market to re-open for trading, which excludes Shopmobility, Management Suite and decant of the site compound from the public car park.

- Section 2 remaining works Shopmobility, Management Suite and decant of the site compound from the public car park.

4.2.15 On 26 June 2017 there was a Leaders Briefing to provide an update on the progress of the markets relocation and to report on the tender process for the delivery of the scheme. The report advised that supplier A's estimate of £2.5 million had increased to £3 million to reflect essential changes identified in the detailed design.

4.2.16 The tender process for the scheme resulted in a single tender return from supplier H. Supplier H's tender far exceeded the agreed budget. An initial assessment by supplier A revealed this cost to be £4.9 million, inclusive of fees, with further opportunities to value engineer the cost down. Based on a briefing note produced by the then Head of Regeneration and Head of Governance on 26 June 2017, for the Leader, the following reasons were given for the tender being considerably higher than expected:

- Supplier H were aware that they were the only bidder for the scheme and therefore felt they were in a strong negotiating position. This may also be perceived by supplier H, and various subcontractors, involved with the first markets relocation as a difficult job and they have priced accordingly.
- Limited return on sub-contractor quotes, potentially due to the works being programmed during the busy summer period.
- Due to an expedited tendering programme supplier H has had limited time to compile and scrutinise costs which has resulted in high levels of contingency in their estimate.
- Several elements of the scheme were underestimated as part of the preparation of the tenders.

4.2.17 The Leaders Briefing goes on to state 'that the principle of an increased budget would be reported at Cabinet Resources Panel on 27 June 2017 with a view to amending the Q1 Capital Monitoring Report in time for Full Council on 19 July 2017. This approach had been discussed with Councillors Johnson and Evans who agree to the principle and felt that sufficient headroom should be built in to ensure the scheme is an asset to the city centre and offers the opportunity for the markets to grow in the new location'.

4.2.18 At the Cabinet (Resources) Panel meeting on 27 June 2017 the minutes noted that the then Cabinet Member for Resources informed the Panel 'that the capital report contained a request to increase the capital budget for the markets relocation scheme by £530,000 to a total of £3.03 million. This was based on cost estimates prior to commencing procurement. Following the procurement process it was now proposed that this be further increased to a total budget of £4.9 million. The tenders received had come back outside the agreed budget and employees were working with prospective contractors to value engineer the contract. This process would be completed over the coming weeks and the revised capital budget requirements for the scheme would be detailed in the report to Council on 19 July 2017. The capital budget required to instruct a contractor and commence the market relocation scheme would not be released until a further report is considered by Cabinet (Resources) Panel'.

- 4.2.19 At a meeting of the Full Council on 19 July 2017 an additional budget of £1.9 million was approved for the markets relocation project, resulting in a total capital budget of £4.9m for the project. The minutes of this meeting resolved that 'the capital budget required to instruct a contractor to commence the market relocation project would not be released until a further paper was considered by Cabinet (Resources) Panel'.
- 4.2.20 At the Cabinet (Resources) Panel meeting on 25 July 2017 the Cabinet Member for City Environment presented a report on the progress of the markets relocation project. He particularly reported on the budgetary implications of the project following the tender process and the timeline for delivery of the scheme. As per the minutes of the meeting it was resolved 'that the release of the capital budget (as detailed in the capital programme which had been agreed by Full Council on 19 July 2017) for the markets relocation scheme be approved'. The minutes of this meeting also noted 'that the reporting required to increase the budget headroom had impacted on the delivery programme for the markets relocation and a new deadline for completion of January 2018 had now been established'.
- 4.2.21 The Individual Executive Decision Notice (IEDN) authorising the appointment of supplier H for the market relocation project was signed by the Cabinet Member for City Economy and the Strategic Director Place on 5 October 2017. It should be noted that on-going value engineering negotiations had been taking place, and additional ground surveys had been completed, prior to this notice being signed off.
- 4.2.22 We noted that the key deliverables detailed on Verto had been updated to read 'To relocate existing market from Salop Street to Snow Hill / Cleveland Street, before May 2018 to enable the Westside Developer to take vacant possession of the site.' We were unable to find evidence that the change in completion date from January 2018 to May 2018 had been reported to the Cabinet Resources Panel.

Lesson learnt 2: Changes in project completion dates should be reported to the Cabinet (Resources) Panel detailing the reasons for the change and any risk implications this may have.

4.3 Project Assurance Group

4.3.1 In addition to ensuring that the appropriate approvals have been obtained for each project stage, Council run projects are required to provide periodic updates to the Council Project Assurance Group (PAG), which is also chaired by the Strategic Director Place (Deputy Managing Director).

4.3.2 The Project Assurance Group has been set up to provide the necessary assurances, to those involved in the approval process, that key business service areas have considered all factors across the business area and are willing to proceed to the next approval stage.

4.3.3 The Market Relocation project was referred to the Project Assurance Group on 15 May 2017, however the Project Manager did not attend the meeting. It was reported that the project details had not been recorded on Verto. The project was discussed and approval given to move to the business case gateway in Verto. The Strategic Director Place highlighted that consideration needed to be given on how to enforce PAG as the interface for projects before proceeding to the full political process.

Lesson learnt 3: Either the project's SRO or Project Manager should be requested to attend future PAG meetings to provide updates on the project.

4.3.4 The PAG minutes stated that further clarification was required on the funding for this project. However, the market relocation project was not brought back to the PAG so they have not had any oversight of it. This project was not listed on the forward plan or action log.

Lesson learnt 4: A quality control process should be implemented to ensure all outstanding matters, discussed at PAG, are promptly followed up.

4.4 Project Management

4.4.1 Project management in respect of the Markets Relocation Project is currently being provided by supplier A.

4.4.2 Verto is the Council's corporate project management system, therefore all of the Council's projects should be recorded on the system. At the start of our review the information that had been recorded in respect of the relocation of the markets was inadequate and out-of-date. It should be noted that Verto was updated by the Project Manager on 15 January 2018 as a result of the review commencing.

Lesson learnt 5: The Council's project management system (Verto) should be kept up to date throughout the lifecycle of the project. An escalation process should be established where non-compliance has been identified i.e. reported to the Project Assurance Group.

4.4.3 The review identified that all project documentation (i.e. gant charts, risk assessments etc) were being retained by supplier A and had not been filed on the Council's project folder.

Lesson learnt 6: All project documentation should be stored under the Council's project folder to ensure a full audit trail of decisions is kept and assuring business continuity.

4.4.4 It should be noted at the time this report was being produced the project had not been progressed to the delivery stage on the Verto system, therefore no highlight reports were being generated from the system.

4.4.5 An Assistant Category Manager from the Procurement Team is detailed in the project's organisation structure with a business assurance role to overview and challenge the quality assurance aspects of the project both generally and specifically for allocated specialist areas. The Assistant Category Manager advised that he did provide this role at the start of the project and assisted in the procurement process up until the tenders were received. However, he advised that he was not always included in meetings or provided with details from the value engineering discussions between the Council and supplier H.

Lesson learnt 7: Anyone that is allocated an assurance role in the project team should be given full access to all information needed to fulfil their role. If they are unable to fulfil the project role that they have been given this should be escalated and appropriate action taken.

4.5 Reporting to Elected Members

4.5.1 This review and a timeline of events has confirmed that elected members of the Council were kept apprised of the markets relocation project. This is highlighted in the table below:

Date of Report	Meeting	Nature of Report
05/12/2016	Executive Team	Endorsed the approach to relocating the retail market at Westside to the Snow Hill site at Southside. Initial feasibility costs ranged from £2.1 - £4.8 million based on indicative costs from supplier A.
18/01/2017	Cabinet	A report submitted to seeking approval of the strategy to relocate the retail market to the Snow Hill site at Southside and approval of an indicative capital budget £2.5 million. Delegated authority was also sought for the Cabinet Member for City Economy, in consultation with the Service Director for Place to approve tenders for this work.
22/02/2017	Cabinet	A capital budget of £2.5 million was approved for the Markets Relocation as part of the Capital Programme 2016-2017 to 2020-2021 Quarter Three Review report.
28/03/2017	Cabinet (Resources) Panel	Procurement – Award to Contracts for Works, Goods and Services report presented. Under the report was an approval to award a contract to supplier A for Project Management and Design for the Markets Relocation Project. The contract was for one year from 1 April 2017 to 31 March 2018 for a contract value of £222,431.
27/06/2017	Cabinet (Resources) Panel	A request to increase the capital budget for the markets relocation scheme by £530,000 to a total of £3.03 million. This was based on cost estimates prior to commencing procurement. Following the procurement process it was now proposed that this be further increased to a total budget of £4.9 million. The tenders received had come back outside the agreed budget and employees were working with prospective contractors to value engineer the contract.
19/07/2017	Council	Included in the Capital budget outturn 2016-2017 including quarter one capital budget monitoring 2017-2018 report was the following note: Whilst the capital budget requirements of the 'Southside – Market Relocation' project is included in this report, (increase budget from £3m to £4.9 M) the capital budget required to instruct a contractor to commence the market relocation project will not be released until a further paper is considered by Cabinet (Resources) Panel.

Date of Report	Meeting	Nature of Report
25/07/2017	Cabinet (Resources) Panel	Cabinet member with lead responsibility for Environment, presented the report on progress with the project to relocate Wolverhampton Market from its existing position at Market Square to the Snow Hill site in the Southside area of the City. He particularly reported on the budgetary implications of the project following the tender process and the timeline for delivery of the scheme. It was resolved that the release of the capital budget (as detailed in the capital programme which had been agreed by Full Council on 19 July 2017) for the markets relocation scheme be approved. It was also noted that the reporting required to increase the budget headroom had impacted on the delivery programme for the markets relocation and a new deadline for completion of January 2018 had now been established.
05/10/2017	Individual Executive Decision Notice	Approval to award the construction contract to supplier H based on a contract value of £4.6 million.

4.6 Supplier B's Assessment of Risk Management

- 4.6.1 The management of risk on the project has not been intrinsic to the decision-making on this project and the evidence indicates that robust management of risk was not carried out.
- 4.6.2 The initial project objective was set early and was the simple re-location of the existing market to support vacant possession for the West Side development project. On this basis the option selection was made based on expediency, rather than with due consideration of the risks of scope creep during design development, stakeholder resistance and associated with emerging broader aspirations for the relocated market

Lesson learnt 8: To support a robust risk management process it is essential that the objectives of a project are fully defined at an early stage- these objectives should take account of stakeholder aspirations to assure that the objectives are complementary.

- 4.6.3 As a part of this review the only evidence of the identification of risk is in the Verto report dated 17 January 2018 that includes a total of eight risks, four of which are closed and the remaining four consisting of three risks unique risks and one duplication. The description of the risks is poor (and has led to the duplication mentioned), and it is debatable whether the risks identified relating to market stall tables and vehicular access are actually issues and should be managed as such.

Lesson learnt 9: The identification of risk and its management throughout the project lifecycle is essential if objectives are going to be delivered and cost and schedule over-runs avoided (or minimised).

- 4.6.4 Supplier A, as the project managers, included contingency assessments in their high-level costing of options with 10% on design costs, 10% for risk and 2% for enhancements (possibly scope creep or change- this is unclear). The derivation of these uplifts is not evident in the documentation reviewed. The link between the contingency setting and any risk registers, assumptions log or clearly defined project objectives is not present in the evidence reviewed.

Lesson learnt 10: Risks and assumptions must be documented and assessed throughout the project lifecycle to support clear communication, targeted and appropriate management of uncertainty, the management and understanding of change, and ultimately to support project assurance and decision-making.

5 Where we are now

- 5.1 At the time of this review the contract had been awarded to supplier H based on a contract value of £4.9 million. Supplier H started on site at the end of October 2017 with an expected completion date at the end of May 2018.

6 Lessons Learnt - Action Plan

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
1	For future projects considerations around options appraisals should be formally recorded so there is an audit trail of discussions and decisions made.	Senior Responsible Officer	<p>Options appraisals will be undertaken as part of the feasibility phase of a project and recorded in Verto using the standard templates.</p> <p>The Senior Responsible Officer is to ensure that the options are discussed at a board meeting. The minuting of the discussion will create an audit trail and the decision of which option to pursue must be recorded in the decisions log on Verto.</p>	With immediate effect
2	Changes in project completion dates should be reported to the Cabinet (Resources) Panel detailing the reasons for the change and any risk implications this may have.	Senior Responsible Officer Director of Governance	<p>The Senior Responsible Officer will ensure that decisions and reporting in relation the project are made in accordance with the Council's Constitution.</p> <p>The relevant sections of the Council's Constitution to be reviewed and amended if required through the Constitution Review Group process.</p>	With immediate effect

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
3	Either the project's SRO or Project Manager should be requested to attend future Project Assurance Group meetings to provide updates on the project.	Chair of Project Review Group	<p>The Project Assurance Group, chaired by the Director of Finance or the Strategic Director for Place, will provide officer oversight and challenge for major capital projects and programmes.</p> <p>There is a standing item on Project Assurance Group meeting agenda to provide an update on all major capital programmes through Verto performance dashboard reporting.</p> <p>The Programme Director or Project Manager will provide an update to Project Assurance Group when required and include regular updates as part of project planning.</p>	With immediate effect
4	A quality control process should be implemented to ensure all outstanding matters, discussed at Project Assurance Group, are promptly followed up.	Chair of Project Review Group	<p>Projects and Programmes Team is to assess and review the controls in place for feeding back to Project Assurance Group.</p> <p>There is a standing item on Project Assurance Group meeting agenda to provide an update on all major capital programmes through Verto performance dashboard reporting.</p>	With immediate effect

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
5	<p>The Council's project management system (Verto) should be kept up to date throughout the lifecycle of the project. An escalation process should be established where non-compliance has been identified i.e. reported to the Project Assurance Group.</p>	<p>Senior Responsible Officer</p> <p>Projects and Programmes Manager</p>	<p>The Senior Responsible Officer and Project Manager will ensure adequate project support to maintain Verto.</p> <p>A monthly "highlight report" is produced by the Projects and Programmes Team which sets out the status of each project or programme is presented to Directorate Leadership, Wider Leadership team meetings and provided to the Audit team.</p> <p>A performance dashboard has recently been developed that highlights non-compliance and areas of risk which in addition is present to the Project Assurance Group.</p>	<p>With immediate effect</p> <p>Implemented</p>
6	<p>All project documentation should be stored under the Council's project folder to ensure a full audit trail of decisions is kept and assuring business continuity.</p>	<p>Senior Responsible Officer</p> <p>Projects and Programmes Manager</p>	<p>The Senior Responsible Officer and Project Manager will agree at the start of a project how document storage and management will be undertaken. This will be recorded in the minutes of the Board.</p> <p>The Projects and Programmes Team provides advice on document storage and management as part of its Project Management Training.</p>	<p>With immediate effect</p> <p>With immediate effect</p>

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
7	Anyone that is allocated an assurance role in the project team should be given full access to all information needed to fulfil their role. If they are unable to fulfil the project role that they have been given this should be escalated and appropriate action taken.	Head of Audit	<p>Senior Responsible Officer and Project Manager will conduct regular reviews of roles and responsibilities in the Terms of Reference document and hold people to account for the responsibilities that have been set by the board. If the role is deemed to no longer be required, or the person assigned is not carrying out the responsibilities, then a new assurance representative should be sought.</p> <p>Any issues will be raised with the Head of Audit. If this is not resolved at first instance then it will be raised at Project Assurance Group for resolution.</p>	With immediate effect

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
8	<p>To support a robust risk management process, it is essential that the objectives of a project are fully defined at an early stage – these objectives should take account of stakeholder aspirations to assure that the objectives are complementary.</p>	<p>Projects and Programmes Manager</p>	<p>Senior Responsible Officer and Project Manager will ensure that when creating the business case for the project, risks, objectives scope etc. are clearly defined. Within the development of the business case, the Project Manager should carry out a stakeholder analysis. The Project Manager should liaise with subject matter experts to support completion of this work. The Project Manager should subsequently ensure that the business case and objectives etc. are part of a board meeting for board members to review and agree. This should be recorded in the minutes and noted in the objectives that everyone has agreed to the objectives. Any reservations will be considered by the Chair of the Board (Project Senior Responsible Officer) who has the ultimate decision as they are ultimately accountable for that project.</p> <p>The Projects and Programmes Team provides advice on risk management as part of its Project Management Training in line with PRINCE2 methodologies.</p>	<p>With immediate effect</p>

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
9	The identification of risk and its management throughout the project lifecycle is essential if objectives are going to be delivered and cost and schedule over-runs avoided (or minimised).	Senior Responsible Officer	<p>The Senior Responsible Officer is responsible, at the earliest stage possible, to create a risk workshop with key project members. This will identify key risks and start the risk register, which is held within Verto. The Senior Responsible Officer and Project Manager are to agree regular intervals, where independent review of the risk register and its management are undertaken. This can be done by internal audit or, for major schemes, an external risk management company should be sought. Project Manager to ensure that risks are a high agenda item at board meetings and major risks are covered at every meeting.</p> <p>The Projects and Programmes Team provides advice on risk management as part of its Project Management Training in line with PRINCE2 methodologies.</p> <p>There is a standing item on Project Assurance Group meeting agenda to provide an update on all major capital programmes through Verto performance dashboard reporting.</p>	With immediate effect

No	Lessons Learnt	Responsibility	Proposed action to be taken	Target date
10	Risks and assumptions must be documented and assessed throughout the project lifecycle to support clear communication, targeted and appropriate management of uncertainty, the management and understanding of change, and ultimately to support project assurance and decision-making.	Senior Responsible Officer Projects and Programme Manager	The Senior Responsible Officer will ensure that Verto is utilised and updated throughout the life of a project. A monthly “highlight report” is produced by the Projects and Programmes Team which sets out the status of each project or programme is presented to Directorate Leadership, Wider Leadership team meetings and provided to the Audit team. A performance dashboard has recently been developed that highlights non-compliance and areas of risk which in addition is present to the Project Assurance Group.	With immediate effect Implemented

APPENDIX A – Markets Relocation - timeline of key events

Date	Timeline Event
January 2016	Feasibility study produced by supplier A outlining the various options for the relocation of the City's market. The costings provided were for an aspirational scheme (£4.8 million), middle scheme (£3.3 million) and basic scheme (£2.1 million).
February 2016	Supplier A procured under the Council's approved framework for the provision of asset management, surveying and design services for specific projects such as the markets regeneration project.
November 2016	Supplier in conjunction with their architects produce a Market Feasibility Strategy and Vision document. Outlining proposed plan to relocate markets by May 2018.
December 2016	Executive Team endorse the approach for relocating the retail market at Westside to the Snow Hill site at Southside to secure a date for achieving Vacant Possession of Westside.
January 2017	Cabinet approve the strategy to relocate the retail market to the Snow Hill site at Southside and approve a capital budget of £2.5 million.
February 2017	Cabinet approve capital programme which included £2.5 million for the relocation of the retail market to Southside.
March 2017	Cabinet (Resources) Panel approve the award of the contract to supplier A for project management and design.
April 2017	Cabinet (Resources) Panel approve delegated authority to the Cabinet Member for City Environment, in consultation with the Director of Governance, to approve the award of a contract for the works required to relocate the markets.
May 2017	Invitation to tender published on procurement portal.
June 2017	Supplier H are the only company to return a tender in respect of the scheme amounting to £4.9 million.
June 2017	A request is submitted to Cabinet (Resources) Panel proposing an increase to the capital budget of £4.9 million, based on the tender that had been received.
June 2017	Supplier A hold a post tender review with supplier H.
July 2017	Full Council is asked to note that capital budget (increase from £2.9 million to £4.9 million) required to instruct a contractor to commence the market relocation project will not be released until a further paper is considered by Cabinet (Resources) Panel.
July 2017	Cabinet (Resources) Panel approve the release of the capital budget (as detailed in the capital programme which had been agreed by Full Council on 19 July 2017) for the markets relocation scheme be approved.
October 2017	The appointment of supplier H approved by Cabinet Member for City Economy via an Individual Executive Decision Notice.
October 2017	Supplier H start on site.

