



Accountants &  
business advisers

# **Southend-on-Sea Borough Council**

## **Local Risk Reviews**

August 2010

## Contents

1	Executive summary .....	1
2	Delivery of additional investment capital works to the housing stock .....	3
3	Building Schools for the Future (BSF) .....	5
4	The Thames Gateway project to improve and regenerate the area .....	8
5	Monitoring arrangements.....	18

## Appendix

Action Plan

### **Code of Audit Practice and Statement of Responsibilities of Auditors and Audited Bodies**

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission contains an explanation of the respective responsibilities of auditors and of the audited body. Reports and letters prepared by the appointed auditors are addressed to members and officers. They are prepared for the sole use of the audited body and no responsibility is taken by auditors to any Member or officer in their individual capacity or to any third party.

# 1 Executive summary

## Purpose of this report

- 1.1 This report sets out the findings of our review of the local risks identified as part of the planning of our audit of Southend-on-Sea Borough Council for 2009/10. The report details our consideration of the arrangements the Council has put in place to address and manage those risks. We have also considered relevant outcomes – specifically, we have assessed the progress of the various projects against milestones and targets.

## Audit risks

- 1.2 The local risks identified as part of our planning process covered the following areas:
- **Delivery of additional investment works to the Council's housing stock to contribute towards the achievement of the Decent Homes Standard**, giving rise to a risk that the Council will not have the arrangements in place to adequately manage the delivery of this work
  - **Building Schools for the Future** work to enhance the fabric of schools in the Borough, giving rise to a risk that the resources allocated to assist with the planning for and delivery of an enhanced BSF programme will be insufficient to adequately manage the delivery of this work
  - **Thames Gateway** project to improve and regenerate the area to deliver additional houses and jobs. The Council is involved in a number of projects that will assist with the delivery of the overall aims of the Thames Gateway and there is a risk that the resources allocated to assist with the delivery will be insufficient to adequately manage the delivery of these projects.
- 1.3 In all cases there was a risk that inadequate arrangements could cause delays and a failure to deliver value for money.
- 1.4 Our plan also included the local risk of addressing health inequalities, which has been the subject of a separate report to the Council.

## Key findings and conclusions

- 1.5 We have concluded that these local risks are being appropriately managed and that the Council has put in place suitable governance arrangements to manage the critical corporate projects that are being undertaken.
- 1.6 The Council's overall monitoring arrangements have been improved through the implementation of the Corporate Delivery Board, which has an overview of the whole capital programme, but focuses mainly on key corporate/strategic projects. We consider that there is appropriate escalation of reporting of progress, and issues with the delivery of the projects, to the senior levels of the Council through the Corporate Delivery Board, which receives reports of progress on a monthly basis, enabling informed decisions to be taken where action is required.
- 1.7 The conclusions for each of the main project delivery areas reviewed are as follows:

- **Investment works to the Council housing stock to contribute towards the achievement of the Decent Homes Standard:** the Council has adequate and effective arrangements in place that have fully delivered the £10m investment programme agreed for 2009/10, and is currently on track to deliver the planned programme for 2010/11.
- **Building Schools for the Future:** our original plan was to review the arrangements the Council implemented in respect of the anticipated multiple projects to invest in schools through Building Schools for the Future. However, the Council's bid to enter further rounds of BSF was unsuccessful earlier in 2010, along with a number of bids from other authorities. Therefore our review was limited to the arrangements in respect of the Belfairs school project.

We concluded that the Council has implemented appropriate governance arrangements in respect of the delivery of the Building Schools for the Future work programme and, as a result, is successfully delivering the capital works to the Belfairs School, in line with the project plan implemented at the outset of the project. The progress to date remains on course to deliver the programmed works in accordance with the Project Execution Document.

- **Thames Gateway:** the Council has implemented appropriate governance arrangements in respect of the delivery of the Thames Gateway investment projects and is delivering the capital works supported by funding agreements with the Homes and Communities Agency in line with the timetables required to enable that funding to be accessed.

However, there are some inconsistencies between projects in respect of the use made of the project management documentation arrangements that have been implemented by the Council, and these inconsistencies should be addressed so that all projects are recorded to the corporate standard, to demonstrate that they are being properly project managed and delivered in accordance with the Council's plans and expectations.

## Acknowledgement

- 1.8 We would like to thank the staff at the Council for their co-operation and assistance during the course of this review.

## 2 Delivery of additional investment capital works to the housing stock

### Background

- 2.1 The successful achievement of 2 Star status for South Essex Homes Limited, the Arms Length Management Organisation (ALMO) following the latest Housing Inspection, enabled the Council to draw down funding from the Homes and Communities Agency for additional improvement work to be undertaken on the housing stock.
- 2.2 The need to manage the delivery of this additional investment work represents a risk that the Council, through the ALMO, will not have the necessary arrangements in place to adequately manage the delivery of this work, causing delays and failure to achieve value for money.

### Scope and objectives of our work

- 2.3 The objectives of our review were to:
- Obtain an understanding of, and assess, governance, financial, and risk management arrangements in place relevant to the delivery of the investment in the housing stock.
  - Assess progress of delivery of the investment works and compare this to planned delivery of the works.
- 2.4 These key objectives were designed to enable us to assess the extent to which arrangements are appropriately designed to achieve, and are securing, value for money in the use of the Council's resources.

### Audit approach

- 2.5 The review built on our existing knowledge of the Council's management arrangements. We also:
- obtained documentation of the governance, financial and risk management arrangements in place for delivery of the additional investment in the housing stock; and
  - discussed the approach with key Council personnel dealing with the day-to-day management of delivering the investment in the housing stock.
- 2.6 We did not review arrangements in place at the ALMO, nor have we interviewed ALMO officers.

### Findings

- 2.7 The Council have been allocated £57.8m for capital investment to deliver Decent Homes over a five year period (subject to resources being available in future spending reviews). Monies allocated must be used to improve the housing stock in line with the Decent Homes Standard (DHS). It can be seen from the capital budget for 2009/10 that monies were allocated to decent homes projects.
- 2.8 No changes to procedures were considered necessary to reflect the particular circumstances of the DHS monies being received, as the Council was already working towards the decent homes standard. More general improvements to the way the Council manages its capital programme had already been identified and implemented, specifically the operation of the Corporate Delivery Board and the use of the Imprest management system, and are referred to in Section 4. These arrangements have provided a more realistic appraisal of projects and their management within financial years and have notably improved slippage performance.

- 2.9 In 2009/10 and 2010/11 the DHS borrowing allocations were £10m and £13.9m respectively. The Council has not yet been notified of the allocation for 2011/12, and this will not become available until after the Comprehensive Spending Review. There is, of course, a risk that the overall funding necessary to complete the Council's five year Decent Homes Standard programme will not be available.
- 2.10 During 2009/10, the HRA capital programme for improvement of the stock was successfully delivered, with the actual outturn showing a small overspend where projects were delivered ahead of schedule. The 2010/11 budget has been reduced by this small overspend, so that the total budget provided for the two periods remains consistent with the resources that have been made available.
- 2.11 The Council keeps track of the progress of the delivery and expenditure position through monthly delivery and monitoring reports, which are prepared from the Cedar general ledger system and are sent to relevant officers to show the actual spend to date against the profiled budget.
- 2.12 South Essex Homes take regular reports to the South Essex Board showing progress with delivery and against the budget, and the risks and difficulties foreseen in continuing delivery. The most up to date position shows that the Council is also on track with their programme of works for 2010/11.

## Conclusion

- 2.13 During 2009/10 the Council has been successful in delivering the programmed investment capital works to the housing stock that will contribute towards delivering the decent homes standard, and remains on course to deliver the programmed works for 2010/11.
- 2.14 Arrangements in place are sufficient to manage the programme and, in terms of outcomes, performance achieved has exceeded targets set.
- 2.15 However, there remains uncertainty over the availability of future allocations of funding, pending the Comprehensive Spending Review, and changes to the availability of the anticipated £57.8m would jeopardise the Council's plans for the improvement of its homes.

## 3 Building Schools for the Future (BSF)

### Background

- 3.1 In November 2006 Belfairs High School was chosen by the Council as the school eligible for the One School Pathfinder (OSP) scheme. The OSP scheme was a phased introduction of the Government's Building Schools for the Future (BSF) rebuilding programme. BSF was about providing children with educational facilities fit for the 21st Century. It was designed to bring about transformational changes in the physical school environment and to support new ways of teaching and learning.
- 3.2 As a pathfinder, it was anticipated that successful delivery of the Belfairs project would enable the Council to enter further rounds of BSF to obtain funding for other schools. However, the Council's bid to enter further rounds of BSF was unsuccessful earlier in 2010, along with a number of bids from other authorities.
- 3.3 On 5 July 2010 the Department for Education announced that it was bringing an end to the BSF programme. In respect of Belfairs, the Government announcement stated that the project was "unaffected" and is therefore continuing to proceed.
- 3.4 The project is intended to provide the school with a learning environment that makes a difference to the students and staff. The school has been re-designed and is being rebuilt to allow innovative teaching and learning, and to facilitate the students' use of the site outside school hours and the extended use of the site by the wider community in order to generate maximum benefit from the new facilities.
- 3.5 The Council and Belfairs are working together to find ways of doing this without adversely affecting local residents. The project aims to change the educational experience for pupils and teachers and to increase opportunities for life-long learning for the wider community.

### Scope and objectives of our work

- 3.6 The objectives of our review were to:
- Obtain an understanding of, and to assess, governance, financial and risk management arrangements in place relevant to the delivery of the investment in the Building Schools for the Future project, to ensure that the resources allocated are sufficient to adequately manage the delivery of this work; and
  - Assess progress of delivery of the capital works project and compare this to planned delivery of the works.
- 3.7 These key objectives were designed to enable us to assess the extent to which arrangements are appropriately designed to achieve, and are securing, value for money in the use of the Council's resources.

### Audit approach

- 3.8 The review built on our existing knowledge of the Council's arrangements and relationships with its partners. We also:
- obtained documentation of the governance, financial and risk management arrangements in place for delivery of the investment in the Building Schools for the Future project; and
  - discussed progress with key Council personnel dealing with the day-to-day management of delivering the Belfairs project.

## Findings

- 3.9 The Council has been allocated £26.2 million for capital investment to deliver the re-built Belfairs School. The project commenced with the original appraisal in 2007, with new buildings scheduled to be completed by July 2011, and all works fully completed by April 2012.
- 3.10 There is a Project Execution Plan which sets out the arrangements for managing and delivering the project. The critical success factors for the project have been identified as:
- Delivery on time
  - Delivery within the available funding envelope
  - Discharge of relevant Planning conditions prior to occupation of the building
  - Minimising disruption to the education and operational functions of the school
  - Minimising the impact on the site neighbours through the construction works
  - Delivery of the educational transformation post 2010
- 3.11 The Council monitors the delivery of the project overall through the Corporate Delivery Board, chaired by the Chief Executive. This Board monitors the progress of each of the major projects being implemented by the Council, including the Belfairs School project.
- 3.12 The Council has implemented suitable governance arrangements for the project itself, and ensures the delivery of the project through a Project Board and Core Group of involved parties, who are supported by a range of sub-groups for different specialist elements of the project:

Arrangement	Purpose	Conclusion
Project Board	Responsible for the governance of the project and deal with the bulk of issues and decisions arising, reporting to the stakeholders on a regular basis and has a specific Terms of Reference. The Project Board meets on a regular basis to consider issues arising with the project and make decisions.	This arrangement ensures that progress against the planned delivery timescales, issues, risks and problems arising with the project are appropriately escalated to the relevant stakeholders, so that they can be addressed and resolved.
Core Group	Responsible for the day-to-day running of the project, developing the scheme and presenting the information to the Project Board for approval. The Core Group meet on a regular basis to address the issues arising and consider the optimum solutions for presentation to the Project Board.	This arrangement ensures that those officers responsible for the day-to-day running of the project have suitable reporting lines and opportunity to escalate issues for decision and approval by the decision makers for the project.



Arrangement	Purpose	Conclusion
Project Manager (Faithful+Gould)	Responsible for the overall control of all resources and coordination and delivery of the requirements of each of the individual suppliers involved with the project.	This arrangement provides expert project management skills to ensure that all the different elements that require pulling together to deliver a project of this scale are suitably co-ordinated.
Cost Manager	<p>Manages the costs across all the work streams, and reports on total programme costs. Monitors the risks, and amends levels of contingency in consultation with the Core Group and Project Board. Also involved in the costing of change requests.</p> <p>Reviews the financial situation on a monthly basis and reports to the Project Board. Changes to the budget allocation, or requests for additional funding, are agreed in accordance with the Delegated Authority before any expense is committed, prior to being submitted for sign off by the Project Board.</p>	This arrangement ensures that the financial element of the project is suitably controlled, so that the financial impact of different potential options to resolving issues are properly understood and the impact on the overall project costs taken into consideration.

- 3.13 The project management arrangements have been suitably designed to provide a framework within which each of the relevant experts, for each element of the project has an appropriate reporting line to report their progress, difficulties encountered, risks faced and options for resolution and decision to the necessary decision makers.
- 3.14 The arrangements have assisted with the delivery of the project such that it has progressed broadly in line with plan, overcoming the difficulties inevitably encountered with a project of this scale. At the current time the project is slightly ahead of the project plan delivery timetable. The Project Board's expectation remains that the completion dates will be achieved and that expenditure will be within the overall budget set for the project.

## Conclusion

- 3.15 We have concluded that the arrangements implemented by the Council have been suitably designed and adequately implemented to ensure the appropriate delivery of the project.
- 3.16 To date, the Council has been successful in delivering the Building Schools for the Future investment in the Belfairs School, in line with the project plan implemented at the outset of the project, and remains on course to deliver the programmed works in accordance with the Project Execution Document.

## 4 The Thames Gateway project to improve and regenerate the area

### Background

- 4.1 The Thames Gateway South Essex Partnership aims to deliver a better quality of life for all those who live and work in the area, believing that through one voice it can effect change by improving South Essex for years to come. It is committed to helping deliver 55,000 new jobs and 43,800 new homes to the region by 2021 through regeneration.
- 4.2 The vision of Thames Gateway South Essex aims to attract businesses and people who are at the cutting edge of new thinking. The catchphrase “Thames Gateway South Essex ‘Where People Come Alive’” aims to change perceptions of the area to prove that South Essex is a great place to live, work and play.
- 4.3 The Partnership is lead by elected Leaders and Cabinet Members of the six local authorities representing South Essex, along with the East of England Development Agency and an independent Chairman. Together with local communities and businesses it identifies and agrees the regeneration priorities for the whole area and deals with central Government Departments with a unified voice.
- 4.4 Southend Borough Council is involved in a number of projects that will assist with the delivery of the Thames Gateway objectives. There is, however, a risk that the resources allocated to assist with the delivery of these projects will be insufficient to ensure the effective delivery of the project within the anticipated timescales and budget.

### Scope and objectives of our work

- 4.5 The objectives of our review were to:
- Obtain an understanding of, and assess, governance, financial, and risk management arrangements in place relevant to the delivery of the investment in the projects
  - Assess progress of delivery of the investment works and compare this to planned delivery of the works.
- 4.6 These key objectives were designed to enable us to assess the extent to which arrangements are appropriately designed to achieve, and are securing, value for money in the use of the Council’s resources.

### Audit approach

- 4.7 The review built on our existing knowledge of the Council’s arrangements and relationships with its partners. We also:
- obtained documentation of the governance, financial and risk management arrangements in place for delivery of the investment in the Thames Gateway projects; and
  - discussed progress with key Council personnel dealing with the day-to-day management of delivering the Thames Gateway projects.

## Findings

- 4.8 The Council has been allocated funding for a number of key projects by the Homes and Communities Agency (HCA), which has become the administering body for the Thames Gateway initiative. The funding has been awarded under the Communities Initiatives Fund Round 2 (CIFR2), with the key projects and funding being outlined in the table below:

Project	Funding	Deadline
Victoria Gateway	HCA: CIFR2: £7m SoSBC: £0.77m	31 March 2011
Progress Road	HCA: CIFR2: £5.2m	31 March 2011
City Beach (aka Eastern Esplanade)	HCA: CIFR2: £7m SoSBC: £0.65m	31 March 2011
Elmer Square (aka London Rd)	HCA: CIFR2: £3.85m EEDA: £2.2m SoSBC: £1.8m LSC: £nil	31 March 2011
Warrior Square Gardens	HCA: CIFR2: £1.5m	31 March 2011

- 4.9 Each of the funding agreements in place is for a limited period of time, and the Council will only be able to claim funding for the expenditure that has been incurred up to the funding deadline. Therefore, the timely completion of works is critical in order for the Council to secure the funding that has been agreed. If the work is not completed in time then the funding will be lost and the Council will be required to fund the costs incurred after the deadline date.
- 4.10 The funding is managed via a Funding Agreement that is approved by the HCA and the Council in advance of the commencement of works. Project returns have to be provided to the HCA on a monthly basis through the Government's Artemis on-line project management database, to claim back the expenditure that has been incurred to date.
- 4.11 The Council responded promptly to project planning and development requirements and was in a position to deliver in advance of other authorities. However, delays in the notification of funding confirmed by the HCA, and higher levels (which we understand was partly due to other authorities not having progressed as far as the Council) led to the Council needing to accelerate and re-profile scheduled works in order to meet the HCA-set spending targets, with this incurring additional costs. However, it was necessary to incur these additional costs in order to obtain the funding provided by the HCA, and therefore enable the projects to proceed. The net benefit of securing funding input, as against none, achieved value for money with these additional costs in the context of the project supporting strategic priorities.
- 4.12 The Council monitors the delivery of the projects overall through the Corporate Delivery Board, chaired by the Chief Executive. This Board monitors the progress of each of the major projects being implemented by the Council, including the Thames Gateway projects. This arrangement ensures that the most senior decision makers in the Council are kept informed of the progress being made, the problems encountered, the risks faced and the proposed solutions to them, so that they can provide suitable input at an appropriate stage of the project implementation.
- 4.13 Each of the five key projects has been reviewed individually in the following paragraphs and tables:

## Victoria Gateway

- 4.14 In partnership with Renaissance Southend Ltd (RSL), the Council have developed a central area master plan which details the overall strategy for the public realm in Southend. Overall the master plan strategy is to create a sequence of streets and spaces which improve the town centre and increase its appeal for both visitors and residents, while at the same time encouraging inward investment.
- 4.15 The areas to the north of the town centre, around Victoria Station, have become collectively known as “the Victorias”. The focus of the Victoria Gateway project is to improve the connectivity and aesthetic appeal of the area between Southend High Street, Victoria Avenue and Southend Victoria Station.
- 4.16 The roundabout at Victoria Station is the centre of an important area that is currently severed from the town centre retail, office areas, Central Railway Station, seafront, University and College.
- 4.17 The project governance arrangements have been agreed by both the Council and the RSL and the organisation reflects the Council’s guidance on Programme and Project Management.
- 4.18 For the Victoria Gateway, the project management involves:

Arrangement	Purpose	Conclusion
Project Board (meets monthly)	Responsible for ensuring that the project is focused throughout its lifecycle on achieving its objectives.  Following completion of the project it will assess whether all aspects of the design brief have been achieved and agree a post-project evaluation report. Terms of reference for the Project Board are included in the Project Initiation Document.	This arrangement ensures that progress against the planned delivery timescales, issues, risks and problems arising with the project are appropriately escalated to the key officers responsible for the overall delivery of the project, so that they can be addressed and resolved.
Project Team (meets fortnightly or as required)	The Team involves all the relevant parties involved in the delivery of the project, and its role is to implement the project in line with the agreed specification.	This arrangement ensures that those officers responsible for the day-to-day running of the project have a suitable forum for discussion of progress and problems with colleagues who may be affected, or able to provide assistance, and an opportunity to escalate issues through the reporting line for decision and approval by the decision makers for the project.

- 4.19 The Project Board receives monthly reports on all important issues, including progress against the expected timeline. Particular attention is given to areas where the extent of progress may be a cause of concern and there is a risk that delivery will not be achieved in line with the anticipated timeframes. The consideration of significant risks, including changes in those risks, is also routinely reported to the Board, together with suggested action for reducing risks.

- 4.20 The project management arrangements have been suitably designed to provide a framework within which the relevant parties involved in the delivery of the project each has an appropriate reporting line to report their progress, difficulties encountered, risks faced and options for resolution and decision to the necessary decision makers.
- 4.21 The project is progressing broadly in line with the project plan, and the Project Board's expectation is that the overall programme remains on target for completion by no later than March 2011, the critical date for ensuring that all the funding available from HCA is obtained. The forecast expenditure to completion is within the overall budget set for the project.

### Progress Road

- 4.22 Progress Road is the first signalised junction encountered when entering the Borough using the A127, and also provides direct access to the Progress Road Industrial Estate. It is regularly heavily congested, with flows increasing in the peak hours, and is a major bottleneck which is a deterrent to inward investment.
- 4.23 The Progress Road junction is signal controlled and suffers lengthy queuing eastbound and westbound, together with delays on the approaching side roads. The capacity for through traffic at the junction is also compromised when the dedicated right turn lane, which caters for movements into The Fairway, becomes saturated, resulting in vehicles queuing into the outside lane reducing the through flow of the junction by up to 50%.
- 4.24 Improvements to the A127 have been identified as a requirement for the delivery of both employment and housing numbers identified for Thames Gateway South Essex.
- 4.25 The scheme will involve the addition of further traffic and filter lanes, the provision of bus priority measures, new pedestrian / cycle crossings and co-ordination with the Urban Traffic Control systems. The future potential for South Essex Rapid Transport routes are being incorporated within the scheme.
- 4.26 The project organisation has been agreed within the Project Initiation Document and the organisation reflects the Council's guidance on Programme and Project Management.
- 4.27 For Progress Road, the project management involves:

Arrangement	Purpose	Conclusion
Project Board (meets monthly)	Responsible for ensuring that the project is focused throughout its lifecycle on achieving its objectives.  Following completion of the project it will assess whether all aspects of the design brief have been achieved and agree a post-project evaluation report. Terms of reference for the Project Board are included in the Project Initiation Document.	This arrangement ensures that progress against the planned delivery timescales, issues, risks and problems arising with the project are appropriately escalated to the key officers responsible for the overall delivery of the project, so that they can be addressed and resolved.

Arrangement	Purpose	Conclusion
Project Manager	Responsible for the day-to-day delivery of the project requirement and deals with the Team Leaders involving all the relevant parties involved in the delivery of the project, and implementing the project in line with the agreed specification.	This arrangement ensures that those officers responsible for the day-to-day running of the project have a single point of contact for discussion of progress and problems an opportunity to escalate issues through the reporting line for decision and approval by the decision makers for the project.

- 4.28 The Project Board receives monthly reports on all important issues, including progress against the expected timeline. Particular attention is given to areas where the extent of progress may be a cause of concern. The consideration of significant risks, including changes in those risks, is also routinely reported to the Board, together with suggested action for reducing risks.
- 4.29 The project management arrangements have been suitably designed to provide a framework within which the relevant parties involved in the delivery of the project has an appropriate reporting line to report their progress, difficulties encountered, risks faced and options for resolution and decision to the necessary decision makers.
- 4.30 The project is progressing broadly in line with the project plan. The Project Board's current expectation is that the overall programme remains on target for completion by no later than March 2011, which is the critical date for ensuring that all the funding available from HCA is obtained. The forecast expenditure to completion of the work is within the overall budget set for the project.

### City Beach

- 4.31 The aforementioned central area master plan jointly developed with RSL also identifies Marine Parade and Eastern Esplanade as an opportunity area for growth and investment. This area is already an important visitor destination and has been recognised as having further potential for public realm improvement, to enhance the visitor experience and enable significant opportunities for private sector investment, physical redevelopment and improvement.
- 4.32 The overall aims of the project are to develop and enhance:
- **a re-vitalised promenade and seawall:** to create an uncluttered walkway with high quality paving materials stretching the length of the project site. A reconfigured sea wall will provide a strong edge to the promenade whilst providing greater ease of access to the beach. A timber board walk is proposed at beach level to enable easy access along the beach.
  - **lighting and illuminations:** are key features of the City Beach proposals fulfilling both a functional role and being a part of the overall visitor experience. The aspiration of the lighting strategy is to 'Create a visible night-time destination with excitement and vitality.'
  - **play areas:** integrated throughout the public space behind the seafront for a variety of age ranges. Opportunities for play are central to the overall activities strategy which seeks to offer a balanced mix catering for all ages and capabilities.
  - **hard and soft landscaped areas:** enhancing these is to be achieved by reducing the width of the carriageway, rationalising car parking and using the saved space more creatively. A mix of hard and soft landscape areas will provide areas for sitting, relaxation, play, café seating, shelters, pavilions, planting, circulation and other uses.

- **City Beach Streetscape Initiative:** reconfiguring the current highways arrangement is a core part of the master plan to revitalise the Eastern Esplanade and Marine Parade as an attractive street that rebalances the priority in favour of pedestrians, cyclists and public transport, whilst retaining its strategic vehicle route functions and capacity.
- 4.33 The project organisation has been agreed by both the Council and the RSL and the organisation reflects the Council's guidance on Programme and Project Management.
- 4.34 For City Beach, the project management involves:

Arrangement	Purpose	Conclusion
Project Board (meets monthly)	Responsible for ensuring that the project is focused throughout its lifecycle on achieving its objectives.  Following completion of the project it will assess whether all aspects of the design brief have been achieved and agree a post-project evaluation report. Terms of reference for the Project Board are included in the Project Initiation Document.	This arrangement ensures that progress against the planned delivery timescales, issues, risks and problems arising with the project are appropriately escalated to the key officers responsible for the overall delivery of the project, so that they can be addressed and resolved.
Project Team (meets fortnightly or as required)	The Team involves all the relevant parties involved in the delivery of the project, and its role is to implement the project in line with the agreed specification.	This arrangement ensures that those officers responsible for the day-to-day running of the project have a suitable forum for discussion of progress and problems with colleagues who may be affected, or able to provide assistance, and an opportunity to escalate issues through the reporting line for decision and approval by the decision makers for the project.

- 4.35 The Project Board receives monthly reports on all important issues, including progress against the expected timeline. Particular attention is given to areas where the extent of progress may be a cause of concern and the associated risks that could impact on delivery. The consideration of significant risks, including changes in those risks, is also routinely reported to the Board, together with suggested action for reducing risks.
- 4.36 The project management arrangements have been suitably designed to provide a framework within which the relevant parties involved in the delivery of the project has an appropriate reporting line to report their progress, difficulties encountered, risks faced and options for resolution and decision to the necessary decision makers.
- 4.37 The project is progressing broadly in line with plan, and the Project Board's expectation is that the overall programme remains on target for completion by no later than March 2011, the critical date for ensuring that all the funding available from HCA is obtained. The forecast expenditure to completion is within the overall budget set for the project.



### Elmer Square

- 4.38 The overall aim of this project is to ensure that Elmer Square is a thriving part of Southend's cultural hub and an area where modern, environmentally friendly buildings are set within areas of attractive, safe public space that generates an all year round meeting place. High quality areas of public realm will link the new town centre destination to the High Street through the attractive landscaping of Elmer Approach and Queens Road, as an area that incorporates:
- The modern teaching facilities of South East Essex College
  - A stimulating research and learning environment provided by the University of Essex
  - A contemporary integrated municipal and academic library and digital gallery
  - A thriving business incubation offer.
- 4.39 The funding outlined in the table at paragraph 4.8 has been provided to deliver the 311 car parking spaces as part of the current specific project being undertaken. This is aimed at producing a mixed use redevelopment of the site at London Road to provide:
- 311 public car parking spaces
  - 560 student accommodation units
  - 798 square metres of ground floor commercial and retail space
- 4.40 However, the provision of car parking on this site is necessary to enable the release of the car parking capacity at the Farringdon site which will be used for the longer term project to provide:
- A new academic and public library
  - A new building for South East Essex College
  - A new building for the University of Essex
- 4.41 The current project organisation has been agreed by both the Council and the RSL and the organisation reflects the Council's guidance on Programme and Project Management.
- 4.42 Specifically, for the current Elmer Square project, the project management involves:

Arrangement	Purpose	Conclusion
Sponsoring Group  (comprising representatives of the key stakeholder organisations involved in the project)	Establishes the organisational context for the programme, approves funding for the programme, resolves strategic and directional issues between partners that need the input and agreement of senior stakeholders to ensure the progress of the programme, confirms partner's strategic direction against which the programme is to deliver and approves the progress of the programme against the strategic objectives.	This arrangement ensures that the strategic partners involved in the different aspects of the project are kept informed of progress and developments and have the opportunity to provide input, at the appropriate time.



Arrangement	Purpose	Conclusion
Programme Board  (meeting monthly through 2010)	Defines the acceptable risk profile and thresholds for the programme and its constituent projects. Ensures the programme delivers within its agreed parameters, resolving strategic and directional issues between individual projects to ensure the progress of the programme. Ensures the integrity of benefit profiles and realisation plan, providing assurance for operational stability and effectiveness through the programme delivery cycle.	This arrangement ensures that progress against the planned delivery timescales, issues, risks and problems arising with the project are appropriately escalated to the key officers responsible for the overall delivery of the project, so that they can be addressed and resolved.
Senior Responsible Officer	Accountable for the overall success of the programme and a Programme Manager responsible for the day-to-day management of the programme, including taking the programme forward from appointment, supervising arrangements and progress and closing the programme.	This arrangement ensures that those officers responsible for the day-to-day running of the project have a single point of contact for discussion of progress and problems an opportunity to escalate issues through the reporting line for decision and approval by the decision makers for the project.

- 4.43 The Programme Board receives monthly reports on all important issues, in the manner specified in the Issue Resolution Strategy, including feedback from the Sponsoring Group and progress against the expected timeline. Particular attention is given to areas where the extent of progress may be a cause of concern. The consideration of significant risks, including changes in those risks, is also routinely reported to the Board, together with suggested action for reducing risks.
- 4.44 The project management arrangements have been suitably designed to provide a framework within which the relevant parties involved in the delivery of the project has an appropriate reporting line to report their progress, difficulties encountered, risks faced and options for resolution and decision to the necessary decision makers.
- 4.45 The project has suffered from uncertainties in respect of funding from the Learning and Skills Council, resulting in the need to change the focus of the project away from the South East Essex College campus, which has been agreed with the HCA to retain their funding. The Programme Board's expectation is that the overall revised programme remains on target for completion by no later than March 2011, the critical date for ensuring that all the funding available from HCA is obtained. The forecast expenditure to completion remains within the overall budget set for the project.

## Warrior Square Gardens

- 4.46 The aim of this project is to enhance Warrior Square Gardens and allow it to reach its full potential as a town centre garden space. With the implementation of the project it is expected that the Gardens will become a part of daily life in Southend.
- 4.47 The Gardens are situated in close proximity to the High Street and is the only central green space in the town. It is also close to the new University of Essex and South East Essex College buildings which have no green space of their own. Warrior Square North is an intact row of Victorian terraced housing, which together with the green space constitutes the Warrior Square Conservation Area.
- 4.48 The design incorporates the following features:
- **The Lime Walk:** A slightly raised and stepped stone walkway proposed as a direct and sunny walk adjacent to the retained Lime tree avenue. This elevated route will extend from the western entrance area and connect all areas of the Garden space.
  - **The Floral Walk:** The central lawn is key to the green perception of the garden space. It will provide a level canvas for a variety of activities, from informal recreation as individuals, to large scale gathering and events. In contrast to the central expansiveness of the lawn, the southern border to the Gardens will be defined by a linear arrangement of planting beds. These formal beds will establish the possibility to interact with plants and nature, creating a pedestrian route that intermingles with the floral beds, providing a rewarding and natural experience.
  - **The Entrance Square:** The scheme proposes an area of defined hard paving as the entrance and gathering space. This space is designed to create a simple stone plinth from which the Gardens can be viewed.
  - **The Bridge:** The bridge element will connect the Southern side of the Gardens with movements further north east. It will provide a pathway, as well as a ramped access up to the raised level Lime Walk.
  - **The Play Landscape:** The eastern play landscape is defined by the pathway bridge that cuts diagonally north-south through the gardens. This defined space will be dedicated to challenging and exciting play opportunities. The notion of sculptural play consists of the following elements:
    - A playful undulating surface
    - A seatwall that provides protection to the southern road
    - Feature climbing poles and lighting elements
- 4.49 The project organisation has been agreed by both the Council and the RSL and the organisation reflects the Council's guidance on Programme and Project Management.
- 4.50 Specifically for the Warrior Square Gardens project the project management involves:

Arrangement	Purpose	Conclusion
Project Executive	Responsible for ensuring that the project is focused throughout its lifecycle on achieving its objectives and for the overall success of the programme.	This arrangement ensures that progress against the planned delivery timescales, issues, risks and problems arising with the project can be appropriately escalated to the key officer responsible for the overall delivery of the project, so that they can be addressed and resolved.

Programme Manager	Responsible for the day-to-day management of the programme, including taking the programme forward from appointment of contractors, supervising the works and closing the programme.	This arrangement ensures that those officers responsible for the day-to-day running of the project have a single point of contact for discussion of progress and problems an opportunity to escalate issues through the reporting line for decision and approval by the decision makers for the project.
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- 4.51 The Project Executive receives reports on all important issues, including progress against the expected timeline, as requested. Particular attention is given to areas where the extent of progress may be a cause of concern.
- 4.52 The project is progressing broadly in line with plan, and the Programme Manager's expectation is that overall programme remains on target for completion by early in 2011 and therefore in advance of March 2011, the critical date for ensuring that all the funding available from HCA is obtained. The forecast expenditure to completion is within the overall budget set for the project.
- 4.53 However the project documentation for the Warrior Square Gardens project has not been entered onto the Imprest project management system, making it more difficult for management to review and keep up to date with progress and developments in respect of the project.

## Conclusion

- 4.54 We have concluded that the project management arrangements implemented by the Council have been successful in delivering the significant investment capital works to the Thames Gateway projects in line with the project plans implemented at the outset of the projects.
- 4.55 The projects have yet to be completed. However, the Council remains on course to deliver the programmed works in accordance with the requirements of the funding agreements in place with the HCA.
- 4.56 The Corporate Delivery Board should continue to closely monitor the delivery of these projects to ensure that the projects are fully completed by 31 March 2011, in order that the full funding available from the HCA is achieved.

## 5 Monitoring arrangements

### Protocols

- 5.1 The Council has introduced the use of the Imprest system for filing of documentation in respect of projects. This is a web-based document management system that provides a consistent format for recording and storing project arrangements and progress reports. The system is managed on behalf of the Council by the Project Management and Assurance Officer in the Support Services directorate.
- 5.2 Being web-based, the Council is able to grant access rights to view and / or submit documents to the system to external partners, as well as internal officers. For the more complex projects that involve project management work being undertaken by a number of agencies, and often external consultants, this platform provides a good degree of flexibility and access to enable the project documentation to be available to the necessary people on an ongoing and live basis.
- 5.3 Our review of the projects outlined in this report included utilisation of the information recorded on the Imprest system. We found the system to have the capability to provide a useful management tool to assist with the project management of these complex schemes.
- 5.4 However, we also found that the system was not being used in a consistent manner by the officers responsible for managing the projects, in that project documentation was not always stored on the system, and not all of the items expected on the system were populated on the system. This weakens the usefulness of the system to the Council in its overall management of the projects, as it cannot then be relied upon to supply all of the information that is required by the Council to successfully manage these complex projects. As a result there is a risk that information provided to decision makers is inappropriate, or not complete, resulting in a misunderstanding of the project status, or problems and risks arising, causing an inappropriate decision to be made.
- 5.5 We recommend that the protocols for the use of the Imprest system be agreed as part of each project initiation procedure, and that the Project Management and Assurance Officer be supported in ensuring that this is the case for each of the projects managed through the Imprest system.

## Appendix A: Action Plan

Conclusions from work	Recommendations	Priority	Management response	Responsibility	Timing
<p><b>Project management system</b></p> <p>1. The Council has invested in the Imprest project management documentation system to enable central access to relevant documentation to be readily available to the necessary project stakeholders.</p> <p>However, the system is not being used consistently by all Project Managers, reducing its usefulness as a management tool for the Council.</p>	<p>The Council should ensure that the Imprest project management documentation system is used in a consistent manner by all project managers, so that information is accurately and fully recorded, so that the system can provide a useful project management tool for the Council.</p>	<p>Medium</p>			