



Leicester
City Council

Cabinet
Arts, Leisure & Environment Scrutiny Committee

10th September 2001
19th September 2001

DE MONTFORT HALL INVESTIGATION AND NEW PROJECT MANAGEMENT STANDARDS

Report of the Chief Executive

1. Purpose of report

To consider the findings and recommendations of the external investigation into the De Montfort Hall refurbishment scheme in the early 1990s (Annex 1); and to approve the Project Management Standards (Annex 2) developed since that time to secure improvements to current and future project management arrangements across the Council.

2. Summary

In March 1999 Policy and Resources Committee asked the Chief Executive to commission an external investigation into the De Montfort Hall project as soon as all the legal issues on the refurbishment contract had been resolved. In March 2001, Cabinet received and approved a report finalising all legal and contractual issues with the main contractor and sub-contractors involved in the dispute. They also approved the brief for the investigation. In consultation with the three Group Leaders, the Chief Executive appointed an external consultant to investigate, in accordance with the Cabinet's decision, the background to the refurbishment and the lessons to be learnt that would assist officers involved in the future delivery of major projects and schemes. The consultant was asked to:-

- review the project for refurbishment of De Montfort Hall;
- establish the management issues and general lessons which arise from this;
- test these issues and lessons against current practice so as to strengthen the Council's management of projects;
- recommend any actions required.

Given the passage of some ten years it was accepted that the report should focus on the primary causes and not to seek to go into detailed recollections. The consultant's report is frank. It finds that the project brief was drawn up in haste. The complexity of the construction works was not stressed to

Members. Council procedures were not fully followed in the appointment of architects. Certain consultants to the scheme did not appear to give the lead one would expect. Costings and contingencies were inadequate. Lack of pre-project management and project appraisal was compounded by insufficient corporate challenge to the aspirations and competence of the client department to deliver such an ambitious project.

Reference is made to the fortuitous window of opportunity to utilise capital receipts. This was a Government initiative which created a flurry of activity at that time across the country to accelerate capital schemes. But in view of the project management weaknesses identified, the consultant did not think it profitable to go further into the political pressure to develop the project at that time. Since unitary status in 1996 most of the key Members and officers have either left their positions or retired from the Council altogether. It is clear that all staff used their best endeavours to bring the project to a satisfactory conclusion. De Montfort Hall is now a highly regarded and thriving arts venue and stands out in the region for its excellent facilities and programmes. Credit is therefore due to a number of officers and Members who persevered through considerable difficulties to provide a basis for the future.

Turning to the future, the consultant acknowledged significant progress had been made in capital strategy and monitoring. He strongly endorsed the need for a project management system to be in place for all projects, although it has taken a long time to fully introduce it. Since 1998 the Director of Arts and Leisure has been leading a corporate working group to devise and implement a Project Management Manual of Procedures and Standards to assist officers in managing projects. Guidelines have been in place since February 1999 and have been updated and revised at various intervals following examination by external consultants and District Auditor. Part of the extended timetable has been due to the deliberate desire to re-examine this work in the light of the De Montfort Hall findings. Indeed, further revisions have been made following the external consultant's report and the Project Management Standards are now completed for formal approval. There could be advantage in drawing out a succinct summary of the Standards for wider use in smaller projects.

The consultant's other recommendations are set out in the Executive Summary attached and an Action Plan (Annex III) has been drawn up to complete implementation. In conclusion:-

1. Frank criticisms have been acknowledged across a number of corporate and project management arrangements pertaining in the early 1990s.
2. Lessons have been learned, significant improvements have subsequently been introduced and all the recommendations of the external consultant's report are accepted and will be acted upon.
3. Project Management Standards supported by external consultants and the District Auditor have been drawn together by project officers from

all Departments for implementation across the service to embed these improvements and minimise the risks involved in major schemes.

3. Recommendations

Members are therefore asked to:-

1. Note the external consultant's findings and recommendations.
2. Approve the formal adoption and implementation of the Council's revised Project Management Standards, and draw up a succinct operational summary for wider use.
3. Refer the Action Plan to Scrutiny Committee to ensure full implementation of the detailed arrangements.

4. Financial and Legal Implications

The full report contains exempt information concerning third parties and cannot be published for legal reasons. Since it is legally necessary to avoid unnecessary replication of the contents of the full report, access will be made available to a limited number of appropriate Members.

The investigation was completed within the estimated cost of £10,000. Good project management contributes to effective financial administration and helps to deliver value for money from capital investment.

5. Officer to Contact:

Rodney Green, Chief Executive.

8th August 2001.



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WARDS AFFECTED:

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SUPPORTING INFORMATION

OTHER IMPLICATIONS	YES/NO	PARAGRAPH REFERENCES WITHIN SUPPORTING PAPERS
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	

4 Background Papers – Local Government Act 1972

None

5 Consultations

None