

**DE MONTFORT HALL
REFURBISHMENT
INVESTIGATION**

**Report by Andrew Flockhart, SOLACE Enterprises,
into the circumstances surrounding the
refurbishment of De Montfort Hall, and
subsequently, during the period 1989-2001.**

JULY 2001

EXECUTIVE SUMMARY

1. I carried out the investigation on the lines of a Statement of Approach as agreed with the Chief Executive before commencing the investigation. I intend to review not only what happened, but to draw lessons from this review that will improve future project management in the authority.
2. There is a serious lack of evidence on file for the background for the development of the brief for the refurbishment of De Montfort Hall, particularly in the period August 1989 – June 1993.
3. The brief was drawn up in haste and was not subject to cost benefit analysis investment appraisal or risk analysis let alone project management proposals.
4. The brief reported to Members was highly aspirational and did not stress the complexity of the construction works, the introduction of new technology and the inherent problems of transforming a traditional Concert Hall into a dual use theatre/concert hall as part of a refurbishment contract.
5. Technical consultants were appointed in haste with little regard for established Council procedures. I can only presume that speed was of the essence because of the window of opportunity to utilise capital receipts for such a project.
6. The project was poorly costed and contingencies dangerously trimmed from the start of the project.
7. The lack of pre project management and project appraisal by the client department doomed the project from the start compounded by the fact that the senior corporate management of the authority failed to challenge the aspirations and competence of the client department to deliver such an ambitious project.
8. The corporate management at that time should have been aware of all the points raised above in points 3-7.
9. The project management of the project has already been covered in the report of the previous Chief Executive drawing attention to deficiencies and recommendations for improvements. Most of these recommendations have been implemented. Of the two that I judge to need further work, these are dealt with in my recommendations.
10. The previous Chief Executive's report dealt with matters in the terms of reference as given but it did not address the weaknesses of the corporate management of the authority on this project.
11. There was undoubtedly confusion over the level of project management for the project but one thing is certain it was inadequate and well below what would be expected today for such a project.

12. Certain consultants did not appear to give the lead one would expect. Rigorous project management would have held them more to account.
13. I have reviewed the development of project management in the authority since the De Montfort Hall refurbishment and there is evidence of significant improvement in capital monitoring and capital strategy for major projects in the capital programme.
14. The authority has, however, taken a long time to fully introduce project management standards. I understand the District Auditor now endorses the system proposed. I am also told that the project management guidelines have now been completed, with the help of consultants, taking into account my views in this report.

RECOMMENDATIONS

- (a) That appropriate project management systems be in place for all projects.
- (b) That expertise be hired as soon as possible to implement project management training for senior managers in every department. Managers involved in major project management should have direct reporting links to each Director; where capital programmes are significant, project managers should have no other responsibilities.
- (c) That the Director of Corporate Resources be responsible for co-ordinating the work of directorate project managers and the development of corporate reporting systems on major capital projects.
- (d) The lessons from the past from the De Montfort Hall and capital programme slippage dictate that this should be of the highest corporate priority to ensure project management of service delivery of major projects right across Council services.
- (e) Complex construction contracts should be adequately explained to Elected Members highlighting potential problems, the introduction of new technology if appropriate and be assured that projects have been subject to risk analysis, Cost Benefit Analysis and Investment appraisal and will be adequately project managed.
- (f) The monitoring of major projects should be reported monthly to Members in a format that is "*user friendly*" planned and programmed and focussed on exception reporting.
- (g) Job specifications for the majority of Chief Officers down to third tier level should make it compulsory for them to accept knowledge of not only Standing Orders, Financial Regulations, Employment, Revenues, Contractual Procedures but also capital and revenue monitoring procedures.

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