



FINAL

Internal audit report 2021/22

Visit 1 of 6

SWANAGE TOWN COUNCIL

Date: 29th October 2021

Report author: R Darkin-Miller
Email: r.darkin@darkinmiller.co.uk

Introduction

This report contains a note of the audit recommendations made to Swanage Town Council following the carrying out of internal audit testing on site on the 5th, 12th and 15th October.

The audit work has been carried out in accordance with Appendix 9 of the 2014 'Governance and Accountability for Local Councils: A Practitioners' Guide', as supplemented by the requirements of the 2018/19 and 2019/20 AGAR, with additional tests specific to the Council as agreed with the Town Clerk and Finance Manager.

An internal audit covers the review of the operation of the Council's internal control environment. It is not designed to review and give full assurance over every transaction carried out by the Council. Instead it enables the auditor, following the sample testing of a number of different types of transaction, to give an opinion as to whether or not the control objectives are being achieved across a range of financial and governance systems.

Audit Opinion

As this audit report is an interim one, no audit opinion is offered at this stage.

The report issued after the final visit for 2021/22 (which will be in May 2022) will contain the audit opinion and a summary of all the high and medium level findings and recommendations made during the 2021/22 audit year.

The following areas were reviewed during this audit visit (all testing completed):

1. Proper Bookkeeping
2. Risk Management (minute review)
3. Income, with a specific focus on:
 - a. Boat Park
 - b. Market
4. Exemption
5. Transparency
6. Public rights
7. Publication

Audit Recommendations

Recommendations made during the audit are shown in appendix one to this report. Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is not being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	0
Medium	2
Low	2
Info	0
TOTAL	4

I would like to thank Martin Ayres, Town Clerk; Alison Spencer, Finance Manager; Stephen Morgan, Finance Officer; Culvin Milmer, Visitor Services Manager; and the Visitor Services team for their assistance during this audit.

Darlin Miller ~ Chartered Accountants
2021/22 INTERNAL AUDIT OF SWANAGE TOWN COUNCIL
FINAL REPORT VISIT 1 OF 6: 29th OCTOBER 2021

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/Medium/High)	Management Response	Responsible Officer	Due Date
18.1 – Remind season ticket holder of the need to clearly display their ticket	<p>I checked to see that procedures exist to monitor and prevent the avoidance of charges. I found that the Council has clear signs in two locations confirming that charges apply at all times. I found that the correct prices are shown on noticeboards, with a note of how to pay.</p> <p>I confirmed that season ticket stickers were clearly visible for all but one trailer. I advised the Visitor Services Officer at the TIC who has confirmed that the season ticket holder will be reminded of the requirement to display the ticket clearly at all times.</p> <p>I recommend that the season ticket holder is reminded of the need to display the season ticket as planned.</p>	L	Agreed	TIC1	With immediate effect
21.1 – Ensure signed agreements in place for Market traders	<p>I checked to see that signed agreements were in place for all twelve market stallholders present on the day of the site visit (15/10/21), and that all had been charged and had paid the correct fee. I found that google form agreements were in place for 4/12 (with their submission counting as a signature), but that there appeared to be no agreement in place for 8/12 stallholders. A similar recommendation was made during the 20/21 audit.</p>	M	Agreed. System to be reviewed.	TIC1	5 th November 2021

	<p>A signed agreement should be in place for all stallholders to ensure that rights and responsibilities attaching to the licence to trade are clear, and that the number of weeks and price charged has been agreed.</p> <p>I recommend that signed agreements are put in place for all stallholders.</p>				
<p>21.2 – Ensure invoices are raised, and debts recovered promptly</p>	<p>Whilst all stallholders had paid by the date of the audit report being issued, one stallholder owed £1k which had been outstanding for 5 months. Another stallholder owes £35 in relation to electricity, which has not yet been invoiced.</p> <p>There was a slight delay to the timeliness of the invoices being raised due to the absence of a key member of staff. This can impact on the accuracy of the aged debt report, and make it harder for Finance staff to match receipts to invoices.</p> <p>I recommend that amounts due are invoiced and collected promptly, with appropriate cover being provided in the event of staff absence.</p>	M	<p>Agreed. Cover for staff absences to be reviewed and system notes updated.</p>	TIC1/TH3	30 th November 2021
<p>21.3 – Amend price charged</p>	<p>I found 1/18 prices charged was not correct. A stallholder was charged £228 for a standard stall for 12 weeks, instead of the £300 shown on the schedule of fees and charges. It is not clear why this error occurred. The error represents a rate of 1.4% on the total of fees checked for the period.</p> <p>I recommend that the amount due is charged when the next invoice is raised.</p>	L	To be reviewed.	TIC1	5 th November 2021



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Internal audit report 2021/22

Fishermen's Slipway Project

SWANAGE TOWN COUNCIL

Date: 29th October 2021

Report author: R Darkin-Miller
Email: r.darkin@darkinmiller.co.uk

Introduction

This report contains a note of the findings and recommendations made to Swanage Town Council following an audit review of the arrangements to procure and manage the contract for the Fishermen's Slipway works carried out at Peveril Point Boat Park which was carried out between September 2018 and May 2019. Additional remedial works were carried out in 2020.

Project implementation

In 2016, at a meeting of the Dorset and East Devon Fisheries Local Action Group (FLAG), the potential redevelopment of the Fishermen's Slipway was raised. Mr R Marsh, a local Fisherman, contacted the Council in March 2017 to notify the Council that funds may be available from the European Maritime Fisheries Fund (EMFF) to carry out improvements to shore based facilities which were deemed by local Fishermen to be inadequate.

Soon after this letter, Rhiannon Jones (RJ), The Dorset & East Devon FLAG Co-Ordinator (employed by the then Dorset County Council (DCC)) was appointed Project Manager. Her role was to obtain funding for the project.

On 31st July 2017, the Council agreed in principle to support the proposed project to extend the western slipway and amenities of the Fishermen's facility at the Boat Park.

Vivienne Berry (the Project Manager), a Property Surveyor at DCC, was appointed on 8th November 2017 to project manage the capital works.

In November 2017, the Council's General Operations Committee considered correspondence from RJ, sent on behalf of the Swanage Fishermen's Association, regarding the potential funding application. Only 25% match funding would be required if the application was made by the Town Council (with the balance being grant-funded by EMFF).

In January 2018 an initial business case was prepared, and on 23rd January 2018 a funding application was submitted to the Marine Management Organisation (MMO), the body that administers grant applications and the issue of Marine Licences. On 26th February 2018, at minute 236, the Council resolved to approve expenditure incurred to date in developing the tender pack, covering £1.5k of fees to Dorset Property (a department of DCC), and £450 for a topographic survey and structural engineer plans.

The business case assumed the following timescales:

Timescales per business case:	Planned dates per business case	Actual dates
Land Survey complete	Mid Jan 2018	18/01/2018
Structural engineer drawings completed	Early Feb 2018	not noted
Tender package preparation	Early Feb 2018	16/02/2018
Tender package uploaded	Mid Feb 2018	21/02/2018
Tender documents evaluation	Early March 2018	08/03/2018
Risk Register sent to MMO	Early March 2018	not noted
Project Cash Flow chart sent to MMO	Early March 2018	not noted
Terrestrial planning application if needed	Early March 2018	not noted
Terrestrial planning estimated completion	Beginning May 2018	not noted
Submission of marine planning licence	End Feb 2018	06/04/2018
Works start	Mid June 2018	17/09/2018
Demolition of huts	Mid June 2018	not noted
Slipway Extension start	End June 2018	04/06/2018 per tender 17/09/2018 per contract
Fishermen Hut construction	Oct-18	not noted
Winch and Ring installation	Nov-18	N/A - removed from project
Claiming period	Dec-18	
Claim complete	Mar-19	Final claim paid on 24/02/2021 (after remedial works)
Practical completion	Not noted in business case	17 May 2019 Remedial works carried out in 2020.

The timing of the works was critical, both in terms of the weather (winter works have a much greater risk of being delayed due to bad weather) and in terms of the tides (the nature of the works meant that low tides were needed in order to carry out works to the far end of the slipway).

Appointment of contractor and securing of grant funding and licence approvals

The tender documents were placed on Contracts Finder on 21st February 2018. 3 valid tenders returned on 8th March 2018. Teignmouth Maritime Services (the Contractor) scored best on quality and price, with an initial bid of £346,045.14. The tender results were reported to Council on 26th March 2018, and it was noted at minute 266 that the Council would not be asked to formally approve a tender until funding from the EMFF had been confirmed in June 2018. In-principle confirmation was not received until July 2018, with the formal funding offer finally received on 11th September 2018.

Note that, under the tender documents, works were due to start on site in June 2018 and be completed by the end of August 2018 in order to reduce the risk of adverse tides and weather.

A Marine Licence application was submitted on 6th April 2018, with the related advertisement being requested by the Project Manager on 11th May 2018 (the advertisement had to be placed by the Town Council). The application required an inter-tidal bio-diversity study. It was assumed that the study carried out for the works to the RNLI slipway could be used for the Peveril Point slipway, but in the event the MMO required a separate study to be completed. The Licence was not issued until early September 2018. This had a significant impact on the works schedule, as works could not begin until the licence was in place.

On 23rd July 2018 it was confirmed in Council at minute 68 that an in-principle agreement of grant had been received from EMFF, allowing the Council to reclaim 75% of total project costs. The Council resolved that, subject to receipt of the grant letter (which had been delayed), the contract for the Fishermen's slipway improvement scheme be awarded to TMS for £346,045.14.

On 11th September 2018, the MMO made a formal offer of funding of £291,612.33 (being 75% of the total project costs of £388,816.44).

Contractor start on site and extension of time

On 12th September 2018, the formal order was issued, and the Contractor started on site on the 17th September 2018. Council met the same day and, at minute 91, it received a report of an increase in tender costs relating to the inclusion of additional items to meet the requirements of Natural England and other third parties. The revised price was £370,302.42. Council resolved to note the Clerk's actions and formally record acceptance of the revised price, and the contract with the Contractor was signed accordingly.

Site meetings were held on 17th October 2018 and 7th November 2018.

On 11th November 2018, the MMO formally confirmed the funding.

On 27th November 2018, the Contractor sent a further email noting additional costs (relating to muck-away, retaining walls, and buried obstructions), and confirmed that there would be significant additional costs to completion given the weather and the tides.

A third site meeting was held on 29th November 2018, and on the same day the Council approved a working party recommendation to remove the winch and casing from the project, in order to save funds.

On 7th December 2018, the Contractor sent an email noting an extension of 8 weeks due to delays with Wessex Water (they were unable to gain access to the discharge pipe crossing the site), additional works that had been agreed, and the impact of bad weather. The contractor noted weekly running costs of £13,615.93; and demobilisation/remobilisation costs of £18,245.84.

The Contractor issued a revised timetable on 13th December 2018, which showed a new practical completion date of 28th January 2019.

On the same day, the Project Manager and Martin Ayres (Town Clerk at Swanage Town Council), discussed the breakdown of the expected costs while the Contractor was off-site (in the case of demobilisation). Following discussions, the Town Clerk and the Project Manager confirmed that the Contractor should demobilise and return to site once the weather risk was known. The Project Manager also queried the weekly running costs of £13,615.93 and confirmed in an email that she would not be in a position to advise that the funds were available to complete the project until there was clarity over the costs.

Joanne Baker (JB), the Contractor's Quantity Surveyor, emailed additional notes explaining the programme delays on 14th December 2018, and Rob Martin (the Contractor's Contract Manager), emailed the rates calculation on 17th December 2018. At that point all contracted works up to the demobilisation (including additional agreed works) came to £351,187.59. The total forecast final account with no further delay was £471,846.64.

On 17th December 2018 at minute 174, Council resolved to form a working party to consider the Contractor's formal request for an extension of time (EoT) and payment of additional costs. Council also resolved that, in line with the funding application to the MMO, the contract administration fee should be capped at 5% of the total contract price of £370,302.

In December 2018, the Project Manager submitted a revised account to the MMO for the full funding based on the draft final account sent by the contractor. The application was successful.

Contract dispute

On 25th January 2019, the Project Manager emailed the Contractor noting a delay in reviewing the information (due to the Christmas break), and that, as there were still concerns over the level of the weekly additional preliminary costs, the Council would not agree to make a payment (in relation to the December application for costs).

On 28th January 2019, the Contractor's Quantity Surveyor replied that, under the contract between the Contractor and the Council, the final date for payment of the latest payment notice was 21st January 2019. Interest would be accrued from that date, the debt would be pursued as a commercial one, and the Contractor issued a notice pursuant to clause 4.7.1 for suspension of performance of the contract.

On 29th January 2019, the notification of change was submitted to the MMO requesting an amended payment schedule (covering dates and amounts) due to extreme adverse weather conditions.

On 12th February 2019, the Council met with the Contractor, the Project Manager, and Roland Julian (Dorset Property's Repairs and Maintenance Delivery Team Manager – the Team Manager) in an attempt to resolve the dispute. Attendees discussed the extension of time request and weekly costs; works completion; the status of the notices pursuant to clauses 4.7.1 (suspension of performance) and 6.8.1 (default by employer), with the Contractor wanting

arbitration proceedings to begin if full payment was not agreed by 13th February 2019. All agreed that they wished to find a workable resolution and move on with the works.

Swanage Town Council agreed to pay the additional monies as they did not exceed the available funds. Dorset County Council sent a payment without prejudice.

On 15th February 2019, the Contractor sent an email containing the information requested at the meeting. In the email, they noted that the Contractor could have potentially requested payment of £130,203.78 for delay costs, but have only claimed the cost to the Contractor plus a 25% mark-up, giving a value of £68,079.63.

The Team Manager sent a letter on 18th February 2019. In it, he noted that he had consulted Dorset County Council's legal advisor, and that the Council's position was that there was a binding contract in place. A copy of the deed was sent with the letter, with a note that the Council accepted this should have been provided to the Contractor already. The Team Manager stated that:

"You have accepted that this is the binding contract by your signature to the deed and your actions. Our position is that the contract was made and binding from the 12th September 2018 when the Town Council issued their order.

The stated Contract Sum is £370,302.43

The works commencement date is 20th September 2018. To support this date we refer to TMS Ltd's revised programme issued on the 11/9/18, our e-mail of 11/9/18 which cited a 17th September provisional commencement date and Swanage Town Council's order of the 12/9/18. We understand your actual start date to have been on Thursday 20th September 2018.

The completion date is 16th December 2018. This reflects the twelve-week duration in the original tender document and our e-mail of the 11/9/18.

You have made applications for payment and referred to clauses 4.7.1 "suspension of performance of the contract" in your e-mail of 28/1/19 and clause 6.8.1 "notice of default by the employer" in your e-mail of 6/2/19."

The Team Manager noted that the Contractor had not provided a note of the grounds for requesting an extension of time under clause 2.7 of the contract (listing each event clearly with its effect on time in line with the contract dates), along with the supporting evidence behind the claim in respect of the extension of time weekly cost in application no.4. Dorset County Council disputed the actual commencement on site for works (they deemed this to be the works commencement date). The letter also noted receipt of the Contractor's email of 15th February 2019, and that the information was now being analysed.

The Contractor responded on 21st February 2019 stating that the meeting on 12th February 2019, and the subsequent payment of the last application, removed the grounds for default. The Contractor confirmed that they accepted a binding contract was in place for £370,302.43, that works commenced on 17th September 2018 and not 20th September 2018 as stated by

Dorset County Council, and they accepted that their original offer included a 12-week duration.

The Contractor then identified that the contentious point is the applicability of the original 12 week duration, as the tender offer of 6th March 2018 related to a June-August works period. They noted that the on-site start date was delayed by circumstances out of the Contractor's control, increased by the Wessex Water delay. They noted that an agreement had been made on 17th August 2018 via email between Mr G Squirrel (of TMS) and the Project Manager 'that actual weather/sea state downtime would be paid by the Swanage District Council (SDC) based on standing cost and actual time rather than risk monies added to the contract price'.

On 25th February 2019 at minute 198, the Council agreed to give delegated authority to the Town Clerk, in consultation with the appointed working party, to reach an agreement in relation to the completion of works and to maximise the amount of grant claimable.

Confirmation of additional funding, and works completion

On 25th March 2019, the MMO confirmed that additional funding had been agreed, and that they would fund £367,770.51 net representing 75% of the project costs. The total project costs were £490,360.68, comprising £18,514.02 for the Project Manager (Dorset County Council's Dorset Property section), and £471,846.66 for the project delivery (TMS). The Town Clerk took a briefing note to Council the same day confirming the funding approval.

The Contractor returned to site in April 2019, and was pouring concrete by 15th April.

On 29th April 2019 at minute 243, it was reported to Council that the contractors had started the final stage of the works, with completion due in May 2019.

On 17th May 2019, the Contractor formally finished on site, and Practical Completion was certified.

Coronavirus and delay in the issue of the audit report

The initial audit was completed and the draft report issued for review on 3rd March 2020. Around that time the Government announced measures to deal with the Coronavirus pandemic. These measures, which included the move to remote working, the introduction of social distancing, and a role for local Councils in delivering support to vulnerable residents, meant that the issue of the final version of this report was delayed.

Following the issue of the draft report, additional remedial works were identified and carried out. The audit examination does not extend to the project management of these works, but details of the works and their timeline are noted below for completeness.

Remedial work and costs

A defects period site inspection held on 15th May 2020 was attended by representatives of the Town Council, Dorset Property, the structural engineers (Smith Foster) and the contractors (TMS). Minute 283 of the Council meeting of 29th June 2020 reported that:

“Significant problems had been identified with the fenders fixed to the side of the new fishermen’s jetty at Swanage Boat Park, and it was noted that the matter needed to be rectified urgently to prevent further damage. Consequently, an order had been placed with the contractors in the sum of £17,356.

“A similar defect had been identified in respect of fenders on the eastern boat park jetty and the Operations Manager had accepted a quote and placed an order for remedial works to be undertaken in the sum of £4,347, due to the time sensitive nature of the repairs.”

The minute records the unanimous decision of the Council to “enter into negotiations with relevant parties to satisfactorily resolve the defects identified in the new fishermen’s jetty and minimise costs to the Council.” The Council further resolved that, “approval be given to the expenditure incurred to rectify the defects in both jetties.”

Minute 306 of the meeting of 27th July 2020 noted that, “It was reported that the structural engineers, Smith Foster, had undertaken a further inspection of the new jetty and had provided an amended specification for remedial works to the fenders. As a consequence, the cost of the works had increased by £9,127 to £26,492.”

The minute records the unanimous decision to retrospectively authorise the related expenditure, and that negotiations with the relevant parties to minimise costs were ongoing.

Minute 31 of the Annual meeting of Council held on 14th September 2020 noted the Council’s resolution to “accept the solution set out in the e-mail from Smith Foster dated 9th September 2020”.

Costs

	Original budget	Final budget	Actual	£ change (to original budget)	£ change (to final budget)
Project management (DCC) (eligible except for first £1,250)	18,514.02	18,514.02	25,030.88 (2,057.00*)	(6,516.86)	(6,516.86)
Capital costs (mainly THE CONTRACTOR)	370,302.42	471,846.66	427,494.08 (26,492.12*)	(57,191.66)	44,352.58
Quantity surveyor and other (ineligible)	0.00	0.00	6,875.28	(6,875.28)	(6,875.28)
Total project budget	388,816.44	490,360.68	459,400.24	(70,583.80)	30,960.44
Total eligible for EMFF funding	370,302.42	471,846.66	451,274.96	(62,458.52)	39,085.72
Met by:					
EMFF 75% of eligible costs	291,612.33	367,770.51	336,913.48	(45,301.15)	30,857.03
Third party contribution +	0.00	0.00	9,400.00	(9,400.00)	(9,400.00)
Council 25% of eligible costs + all ineligible costs	97,204.11	122,590.17	113,086.76	(15,882.65)	9,503.41
Total funding	388,816.44	490,360.68	459,400.24	(70,583.80)	(30,960.44)

*cost of remedial works included

+as per minute 31 of the Annual Council Meeting held on 14th September 2020

Audit review

An audit was requested to clarify the reasons for the difference between the original estimated and final contract values and specifically to review the following risk:

1. Poor contract management led to contract overruns and increased costs.

The audit work was carried out between 18th September 2019 and 11th March 2020. The update note at the end of the introduction was added on 15th October 2021.

Audit Opinion

I am able to offer **partial** assurance that the Council's contract management processes are operating as they should. The range of assurance is full/reasonable/partial/none.

The Council appointed a Project Manager with appropriate qualifications and experience. A full tender process was run on Contracts Finder, and an appropriately experienced contractor appointed using a JCT model contract. Grant funding was obtained from the EMFF, under clear terms and conditions, and the Project Manager was successful in obtaining an extension of time and an increase in funding when the project overran. The support of Dorset County Council's Legal Services team was helpful in resolving the contract dispute with the Contractor.

However, key project documents were missing (a note of key facts, a risk register, and a scheme of delegation) meaning that some key issues and risks were either not identified, not fully understood, or not properly handed over; and which meant that a decision on who bore the weather risk was made without reference to Council.

The unavoidable absence of the initial Project Lead meant that no formal handover was given to the Project Manager, compounding the issue with identifying risks. The latter's absence on leave, and the lack of an alternate, impacted on the timely response to dealing with payment application No.4 which exacerbated the contract dispute.

There was a three month delay to the planned start on-site following delays in obtaining the Marine Licence (due in part to an erroneous assumption that a previous inter-tidal bio-diversity study could be used in the application), and a delay when Wessex Water indicated that they wished to have a CCTV study carried out on a main that was due to be covered in concrete as part of the project.

The late start on site pushed the contract delivery period into the autumn/winter, with an increased risk of adverse weather and tidal conditions. The grant funding deadline meant that it was impractical to consider delaying the project until the spring of the following year, and the funding conditions (unforeseen costs could be claimed, but no contingency was allowed), meant that the Project Manager agreed that the Council would bear the weather price risk.

A number of recommendations have been made accordingly.

Detailed findings

Risk 1: Poor contract management led to contract overruns and increased costs

1.1 A dedicated and experienced project manager was in place to oversee the delivery of the contract and related budget monitoring who was in a position to identify and escalate issues for resolution in a timely way.

Swanage Town Council appointed Dorset Property (a section of the then Dorset County Council (DCC)) to act as project manager for the Slipway Project. Dorset Property have acted as project managers on a number of capital projects for Swanage Town Council.

The Project was initially managed by DCC officer Rhiannon Jones, who was the Dorset and East Devon Fisheries Local Action Group (FLAG) Co-ordinator, and then the Dorset Coast Forum Co-ordinator. She managed the project from early 2017 until around November 2017, and has a degree in Environmental Science and previous experience of the Marine and Maritime Organisation (MMO) grant funding process.

The FLAG Co-ordinator was unavoidably absent from work for several weeks. Vivienne Berry (the Project Manager) took over the project management on 8th November 2017. The Project Manager is a Property Surveyor at DCC, with a degree in Town Planning, and a Post Graduate Diploma in Landscape Architecture. She is a qualified Chartered Landscape Architect with several years of experience in project managing large and small landscape projects to fixed timetables and limited budgets.

Although dedicated officers were in place, issues were not always identified and escalated at the earliest opportunity. There was no formal handover between project managers due to the nature of the FLAG Co-ordinator's absence. The lack of handover, combined with the absence of a number of standard project management documents, made it difficult to identify key issues such as timely receipt of a Marine Licence, and progress with dealing with a footpath diversion (the Co-ordinator had made an application, but there was no file note to identify whether permission had been granted, or work still needed to be done to secure the permission).

During the project there was a delay in analysing and dealing with costs in relation to payment application No.4 due to staff absence (additional works had to be pre-cleared with the EMFF or there was a risk that they would not pay for them), which led to claims from the contractor that the Council was in breach of its contractual agreement in respect of timely payment. It is likely that these issues could have been mitigated by the use of basic project management documents including a key facts sheet (to go on the front of the file), and by the project manager ensuring that an alternate member of staff could deal with any issues in the event of the absence of the key contact.

1.1a I recommend that a key facts sheet is added to the front of the project file. This should contain a note of the key contacts (name, phone number, email addresses of the client, project manager and contractor), the contract details (description, location, value, timescales), and key live issues which could stall or stop delivery (item, description, what has

been done to address the matter, what remains to be done, key contacts). This should enable any officer taking over the project to get up to speed relatively quickly.

1.1b I recommend that the appointed project manager ensures that each project has a named alternate who can step in and deal with urgent items in the absence of the lead officer. This should ensure no break in provision, and help to enable timely delivery of projects.

1.2 Appropriate project documents are in place (including a Project Initiation Document noting deliverables, a Scheme of Delegation (noting decision making and reporting lines), a budget, and a risk register). These are reviewed frequently to identify and deal with any issues in a timely way.

Project Initiation Document (PID)

No PID was prepared. However, an equivalent business case was prepared for the MMO in order to support the funding application. This required the grant applicant to set out:

- The Project Objectives
- Alternative Options
- Cost of the Project
- Project Appraisal
- Project Outcomes - Non-Financial
- Project Risks
- Capacity to Deliver the Project
- Whether the Project would happen without MMO funding
- Milestones
- Further Information

Scheme of Delegation

No formal scheme of delegation was issued to set out the reporting arrangements for the escalation of issues, and the making of decisions. However, the Project Manager was in regular contact with the Town Clerk of Swanage Town Council. The Project Manager noted at the pre-contract meeting with the contractor on 23rd July 2018 that all communications should go through her (unless there were imminent health and safety risks), and that all information would be distributed by her, and all verbal instructions had to go through her.

The majority of decisions appear to have been referred to Council. However, the question of who bore the risk of adverse weather appears to have been decided in an exchange of emails between the Contractor and Project Manager.

The Contractor set out in their email of the 10th August 2018 that they had added 4 days weather 'Time Risk Allowance' to the end due to the timescale slippage, and that there were two options for achieving this:

- a. 'We can agree a quantity of 'weather risk' now and we can price the prelims and direct resources to take on the risk ourselves; or,
- b. We can agree a set of plant, equipment and labour rates, and you can pay for the actual weather (and sea condition) downtime we incur.'

The Project Manager responded that 'I think we will have to go with option b) as EMFF terms will not permit us to include any contingency element but apparently we can go back to them with unforeseen costs. So if at some point before you start on site you can firm up this day rate for me I would appreciate it.'

In hindsight, given the time risk allowance was considerably longer than 4 days, and given the Council was potentially exposed to the risk of funding the entirety of the cost overrun (had the EMFF decided not to award additional funds), this decision should have been referred by Council. A recommendation is made below.

Risk Register

The initial risks identified in relation to the project were set out in the business case as follows:

1. Terrestrial planning permission

Perhaps the most significant risk is gaining planning permission. At this stage, we have not yet applied for either Marine or terrestrial planning permission. However, we have spoken to the local planning authority and there is hope that the development can proceed under permitted development of the Swanage Town Council. There are other considerations for the area too such as access and sewage pipes crossing the slipway. We are in contact with all relevant interested parties at this early stage including Wessex Water for the sewage pipe, Natural England regarding rights of way across the slipway and the Dorset County Council Archaeologist regarding the WW2 turret. The archaeologist doesn't foresee an issue with the project if access is maintained and a clear 1m berth given to the turret. Wessex Water have initially said they cannot foresee an issue with concreting over the sewage pipe as there is still access available through a large concrete manhole. Based on the previous development adjacent to the project, if people can walk across the area easily it shouldn't be an issue regarding the coast path access. We are currently consulting with the Purbeck District Planning to assess whether planning is required and are awaiting confirmation. However, we expect to know when we go out to tender in February so we would be able to apply for the necessary planning at that point.

2. Marine Licence

We have initially consulted with the MMO Marine Planning Department and they have classified the licence required as Band A which requires no fee. Once we have the tender documents, we will start to apply for the marine licence. We know there is precedent for granting a licence due to the recent renovations and slipway extension of the RNLI in the same area. We have also informally consulted Natural England and the only issue they foresee is a seagrass bed close to the vicinity which may require some mitigation to be included in the project delivery.

We will work very closely with the planners throughout the application so that we can include any mitigation at the earliest possible moment.

3. Timescales

There is a small risk of overrunning of timescales to fit with the funding- as with any project that builds in the marine environment- there can be many factors involved. However, the construction should take no longer than 4 months to complete and therefore there is a portion of time before the EMFF closes in which to complete the

project. All parties involved in the project will be aware of the tight timescales and how imperative it is to meet those. The designated project manager will regularly assess the projects progress and update the MMO of any issues that might arise or do arise. This will enable the Project Manager to consider alternative options in good time.

4. *Construction delays and unexpected construction costs*

Due to the nature of the project in the marine environment, there is a risk of unexpected costs being incurred, for example, ground being unsuitable to concrete over and additional measures needing to be taken. However, we are minimising this risk by extending the current topographical survey being undertaken for the adjacent boat park project to ensure that the land we are building is suitable. We need this information to go out to tender. We can also learn from the experience of the recent development at the RNLI and use the knowledge they gained about the area. The Project Manager will carefully monitor any delays and we will inform the MMO as soon as any delays or increased costs occur before going ahead with any project changes.

5. *Impact on fisher's livelihoods*

The project is set to take place from June to November 2018 so we need to minimise the impact on the fishing community ability to fish in peak season. Access will still be allowed on the western slipway until works are complete and storage containers will be provided while the fishermen's huts are out of use. Although the fishers are aware that this may impact upon them they are also aware of the time sensitivities of the EMFF funding.

Although the Business Case notes that 'Once we have gone out to tender we will provide a comprehensive risk register,' and the Business Case timeline notes the risk register was due to be sent to the MMO in early March 2018, the set of risks identified during the business case were not used to create a comprehensive risk register. The Project Manager confirmed that no risk register was in place during the project.

The draft risks identified in the business case do not include the most common risk associated with tidal construction projects, namely the small window of opportunity to carry out works during a low tide. The risk of the Marine Licence (not being granted) was identified, but the risk register did not include the risk that the assumption that the RNLI slipway bio-diversity study could be used as a proxy for the slipway site was not: ultimately this caused a considerable delay in the start of on-site works. The License was applied for on 6th April 2018, but not received until early September 2018. This delay contributed significantly to the works running into the winter season, when the weather was so bad that the contractor ended up de-mobilising.

A further risk, which would not have been included in the Business Case made to the MMO, was that of ensuring that the MMO grant drawdowns are properly managed to ensure that they are compliant, timely, and that the number of drawdowns (which is limited) is not exceeded. If grant drawdowns did not comply with the grant requirements, then the funding would not have been paid over to the Town Council, which would have either led to a significant project overspend, or to the Council being unable to complete the works.

In the event, the project was also held up by Wessex Water's request (ultimately unfulfilled) to have a CCTV survey of the main effluent drain. One unusual requirement of the MMO Marine

Licence was for the installation of artificial rockpools on site once the works had been completed.

I note also that there was no post-contract wash-up meeting to identify any learning points for future capital works contracts. This would help to ensure improved project management.

1.2a I recommend that the Council ensures that a risk register is drawn up for any significant projects in future in order to help identify the project outcomes and risks of achieving them, and to help identify what actions would be taken to mitigate those risks. The register should be a live document used in planning, pre-contract, site, and wash-up meetings in order to ensure key risks are managed and any learning points identified to improve the management of future projects.

1.2b I recommend that schemes of delegation are set out for larger projects to identify the roles and responsibilities for officers, Members and any third parties involved in a project. The document should also set out who has decision-making powers and what the thresholds are which trigger a different decision-making process.

1.2c I recommend that a post-contract wash-up meeting is built into the contract administration process for future capital works contracts over a de-minimis amount. This will ensure that learning points are identified and carried into future projects, improving the project management and increasing the likelihood of projects being delivered on time and in budget.

1.3 Regular reporting was in place to the Clerk and Members in order to ensure any appropriate decisions could be made in a timely way.

As part of the audit I was provided with several emails illustrating that there was regular contact between the Council, Project Manager and Contractor, but I do not have a complete set of correspondence to enable me to confirm the frequency of inter-meeting reporting. In terms of formal meetings, the following groups met on the following dates:

Council and Project Manager

The Council and Project Manager had three meetings after the tender process had been commenced (on 3rd April 2018, 18th April 2018, and 30th July 2018).

Council

Following the appointment of the Contractor, the Town Council minuted updates and resolutions relating to the project at each of its monthly meetings except for those held on 21st January 2019 (Special meeting for the approval of budgets and the precept) and 25th March 2019. Update reports were also taken to the Council's Policy, Finance and Performance Management Committee (PFPM) on 25th July 2018, 7th November 2018, and 12th December 2018. Information was presented at 9 meetings in total.

Regular reporting was in place to the Clerk and to Members, but the short timescale of the works meant that the Council frequently received information past time when Members could be actively engaged in managing any problems. The Council has already recognised the issue

and has created a capital projects sub-committee which can meet more regularly to provide oversight and challenge over shorter timescales.

1.4 Regular on-site meetings were held with key officers, third parties and the contractor to ensure that any issues were identified and dealt with in a timely way.

Council, Project Manager and Contractor

There were 5 meetings with the Council, Project Manager and Contractor: a pre-contract meeting on 23rd July 2018; 3 site meetings on 17th October 2018, 7th November 2018 and 29th November 2018; and a dispute resolution meeting on 12th February 2019.

The minutes of the pre-contract meeting noted that monthly site meetings were to be held, with a meeting to be held 2 weeks after the start of works. The Project Manager or the Council's Structural Engineer, Ian Foster, would take and distribute minutes.

The start on site was 17th September 2018. This would give the following timescales:

Item	Due date	Actual date	Difference
Start on site	17 th September 2018		
Meeting 1	1 st October 2018	17 th October 2018	16 days late
Meeting 2	1 st November 2018	7 th November 2018	6 days late
Meeting 3	1 st December 2018	29 th November 2018	2 days early

I have no records of any site meetings carried out after 1st December 2018. The Project Manager confirmed on 12th March 2020, that there were no further formal site meetings for which minutes were taken.

Regular on-site meetings were held with key officers, third parties and the contractor, but these appear to have ceased before the end of the works period. The contractor was on site until 20th December 2018 (prior to demobilisation), and on site again from mid-April 2019 to 17th May 2019. It is unusual for there to have been no later meetings, and it is possible that a later on-site meeting might have given the parties a chance to discuss any issues with the increased costs in payment application No.4, which might have prevented the contract dispute.

The Project Manager confirmed in an email on 26th October 2021 that 'there were many informal on site meetings/visits during all the site works before demobilisation and at remobilisation'.

1.4a I recommend that on-site meetings are held at the start and cessation of works (and on demobilisation and remobilisation if appropriate) and with sufficient frequency during the works in order to ensure that all issues are identified and dealt with promptly, and that meeting notes are maintained for all meetings.

1.5 Appropriate action is taken at the earliest time to address issues.

The project documents and minutes of the meetings show that the majority of expected issues were identified and dealt with in a timely way. However, there were some issues which were either not identified, or were identified but still delayed the project (all of which should have been identified on and managed via a review of the project risk register). These are noted below:

Issue	Impact	Recommendation
Marine Licence – assumption that a previous bio-diversity study could be used to support the application.	The licence was granted 5 months after application. No works could start on site until the licence was granted, so the works (which were due to be carried out June-August in the tender) could not be started until September 2018. This had a significant impact on the weather and tide risk.	1.5a Licence or planning permission requirements should be fully identified and complied with prior to the commencement of any project.
Wessex Water wanted a CCTV survey of one of their mains (as the pipe was due to be concreted over). The MMO Licence required that the Council put artificial rockpools on the seabed once works were completed.	In the event, they agreed to not have the survey done, but the agreement took weeks to secure and contributed to the contract slippage. It took some time to identify a contractor to carry out the works (which were not completed by the Contractor). This does not appear to have delayed the main contract.	1.5b Ensure that the requirements of any third parties are clearly identified and resolved in advance of on-site works starting.
The nature of the work meant that weather and tidal conditions were critical. This risk is completely foreseeable but was not identified and managed on a project risk register.	The contractor had to demobilise over winter, giving rise to £9k of weekly demobilisation costs which significantly increased the total project cost.	1.5c Ensure that any weather or tide dependent work is carried out at the optimum time.
Delays would mean increased costs overall which could have fallen disproportionately onto the Town Council in the event that the EMFF refused to grant fund any overspends. The total overspend as compared to the original budget was £75k (see p7).	Fortunately the EMFF agreed to grant fund 75% of the increased costs, meaning that the Council's share of the increased cost was limited to £19k.	Continue to ensure that funding bodies are kept informed of any changes.

<p>The funding agreement contained restrictive terms relating to:</p> <ol style="list-style-type: none"> 1. The suppliers (who could not be changed without prior agreement); 2. The drawdowns (which had to be to a pre-agreed schedule of times and amounts). 3. No contingency was allowed within the budget. 	<p>This potentially gave the contractor significant leverage in the event of a dispute</p> <p>This significantly increased the risk to the Council that the submission of drawdowns did not comply, and that funding would not be released.</p> <p>It is unusual and risky not to include some allowance for contingency to cover</p>	<p>1.5d Ensure any restrictive clauses are clearly identified before applying for funds, and are noted on the key facts sheet at the front of the project file.</p> <p>Ensure all clauses are fully complied with.</p> <p>Consider carefully whether it is worth applying for grant funds with onerous clauses.</p>
<p>The contract terms around requesting an extension of time (by the contractor) and the dispute resolution process do not appear to have been clearly understood by all parties. The contractor was not provided with a signed copy of the contract until after the dispute resolution meeting in February 2019. The contractor was unfamiliar with the contract type (JCT Minor Works) and whilst the Project Manager was not unfamiliar with the contract, she noted that she was unfamiliar with a recent change in the payment conditions.</p>	<p>The unfamiliar contract and its late issue exacerbated the issues around dispute resolution.</p> <p>The Project Manager has noted that she 'cannot say whether a different contract might have been more appropriate' but that 'the chosen contract still fulfilled its purposes, disputes were resolved, amicable agreements reached and the works were completed as designed and specified'.</p>	<p>1.5e Ensure an appropriate contract is used, and that the signed contract is issued to all parties as soon as it has been signed (and ideally before works commence).</p>
<p>There was no alternate available when the Project Manager was on leave, and there was an incomplete handover from the previous project manager on her departure. Key project documents had not been prepared that could have identified significant issues and the progress with their resolution.</p>	<p>Time critical items such as the Marine Licence, and reviewing payment application No.4, were not dealt with in a timely manner.</p>	<p>Ensure an alternate is in place, and that key project documents (risk register, key facts sheet) are on file and up to date. This will minimise the risk of disruption in the event of staff absence.</p> <p><i>Recommendation raised at 1.1a, 1.1b and 1.2a.</i></p>

1.6 The contract between the Council and its contractor contained clear clauses and costs about what would happen in the event of bad weather delaying works (price and dispute resolution).

The contract used was the JCT Minor Works Building Contract. This contains standard clauses for minor works projects.

The tender specification includes the following clauses (my emphasis):

JCT MINOR WORKS BUILDING CONTRACT

The work comprises: Extension to slipway, new jetty and repairs to sheds.

- Works commencement date: provisionally 4 June 2018.
- Date for Completion: provisionally 24 August 2018.

Clause 2.8 - LIQUIDATED DAMAGES

- At the rate of £383.00 per calendar day.

Clause 2.10 - RECTIFICATION PERIOD

- Period: 12 months from the date of practical completion.

Clause 4.3 - INTERIM PAYMENTS

- Interim Valuation Dates:
 - The first Interim Valuation Date is: tba.
 - Thereafter at intervals of: 4 weeks.
- Payments due prior to practical completion:
 - Percentage of total value of the work etc.: 95%.
- Payments becoming due on or after practical completion:
 - Percentage of the total amount to be paid: 97½ %.

A32 MANAGEMENT OF THE WORKS

140 CLIMATIC CONDITIONS

• **Information: Record accurately and retain:**

- Daily maximum and minimum air temperatures (including overnight).
- **Delays due to adverse weather, including description of the weather, types of work affected and number of hours lost.**

250 MONITORING

- Progress: Record on a copy of the programme kept on site.
- **Avoiding delays: If any circumstances arise which may affect the progress of the Works submit proposals or take other action as appropriate to minimize any delay and to recover any lost time.**
- Key Performance Indicators:
 - Details: time, cost and quality.
 - Performance: Record progress against each KPI.
 - Corrective action: If performance falls below target, submit proposals as soon as possible.

310 EXTENSIONS OF TIME

- **Notice:** When a notice of the cause of any delay or likely delay in the progress of the works is given under the contract, written notice must also be given of all other causes which apply concurrently.
- **Details:** As soon as possible submit:
 - Relevant particulars of the expected effects, if appropriate, related to the concurrent causes.
 - An estimate of the extent, if any, of the expected delay in the completion of the Works beyond the date for completion.
 - All other relevant information required.

The JCT contract itself notes the following in relation to Extensions of time, payments, failure to pay, and the settlement of disputes:

2.7 EXTENSION OF TIME

If it becomes apparent that the Works will not be completed by the Date for Completion as stated in the Contract Particulars or as later fixed under this clause 2.7, the Contractor shall thereupon notify the Architect/Contract Administrator. Where that delay occurs for reasons beyond the control of the Contractor, including compliance with Architect/Contract Administrator's instructions that are not occasioned by a default of the Contractor, the Architect/Contract Administrator shall give such extension of time for completion as may be reasonable and notify the Parties accordingly. Reasons within the control of the Contractor include any default of the Contractor, of any Contractor's Person or of any of their respective suppliers of goods or materials for the Works.

4.5 PAYMENTS – AMOUNTS AND NOTICES

0.1 Subject to any notice given by the paying Party under clause 4.5.4, the paying Party shall pay the sum stated as due in the relevant certificate on or before the final date for payment under clause 4.3 or 4.8.

0.2 If that certificate is not issued in accordance with clause 4.3 or 4.8 but a Contractor's payment notice has been or is then given, the Employer shall, subject to any notice subsequently given by him under clause 4.5.4, pay the Contractor the sum stated as due in the Contractor's payment notice.

0.3 Where the Contractor gives a payment notice under clause 4.4.2.2, the final date for payment of the sum specified in it shall for all purposes be regarded as postponed by the same number of days as the number of days after expiry of the 5 day period referred to in clause 4.4.2.2. that the Contractor's payment notice is given.

0.4.1 Where the Employer intends to pay less than the sum stated as due from him in a certificate or, where applicable, the Contractor's payment notice; or

0.4.2 if the final certificate shows a balance due to the Employer, the Contractor intends to pay less than the sum stated as due, the Party by whom the payment is stated to be payable shall not later than 5 days before the final date for payment give the other Party notice of that intention (a 'pay less notice') stating the sum (if any) that he considers to be due to the other Party at the date the pay less notice is

given and the basis on which that sum has been calculated. Where a pay less notice is given, the payment to be made on or before the final date for payment shall not be less than the amount stated in it as due.

4.6 FAILURE TO PAY AMOUNT DUE

0.1 If either Party fails to pay a sum, or any part of it, due to the other Party under these Conditions by its final date for payment, he shall, in addition to any unpaid amount that should properly have been paid, pay the other Party simple interest on that amount at the Interest Rate for the period from the final date for payment until payment is made.

0.2 Any such unpaid amount and any interest under clause 4.6.1 shall be recoverable as a debt. Acceptance of a payment of interest shall not in any circumstances be construed as a waiver either of the recipient's right to proper payment of the principal amount due or of the Contractor's rights to suspend performance under clause 4.7 or terminate his employment under section 6.

7 SETTLEMENT OF DISPUTES

7.1 Mediation - Subject to Article 6, if a dispute or difference arises under this Contract which cannot be resolved by direct negotiations, each Party shall give serious consideration to any request by the other to refer the matter to mediation.

7.2 Adjudication - If a dispute or difference arises under this Contract which either Party wishes to refer to adjudication, the Scheme shall apply except that for the purposes of the Scheme the Adjudicator shall be the person (if any) and the nominating body shall be that stated in the Contract Particulars.

7.3 Arbitration - for the purposes of Article 7, if it applies, the procedures for arbitration are set out in Schedule 1.

The tender specification and JCT contract contain clear terms relating to extension of time requests, the making of payments and the settlement of disputes. However, both parties appeared unfamiliar with the form of the contract, and the signed contract was not issued to the Contractor. Recommendation 1.5e notes that the signed contract should be issued to all parties as soon as it has been signed.

Although the tender specification and contract terms appear to be clear, there is no specific clause which sets out which party bears the costs relating to extensions due to adverse weather and/or tidal conditions. This may be because the original tender timeframe was for a 12 week period starting at the beginning of June 2018, where the works were unlikely to be hindered by significant adverse weather events.

As noted above in s1.2, the pricing of the weather risk appears to have been discussed and agreed in a set of emails in August 2018, with the Project Manager agreeing to pay actual day rates due to the nature of the grant funding (which allowed claims for unforeseen costs, but no upfront contingency). The Contractor in their letter of 21st February 2019 reference an email of 17th August 2018 between Mr G Squirrel and the Project Manager, and note that the parties had agreed 'that actual weather/sea state downtime would be paid by the Swanage District Council (SDC) based on standing cost and actual time rather than risk monies added to the contract price.'

The absence of a clause in the main contracting documents, and the misnaming of the client in subsequent correspondence, both point to an absence of consideration of a key risk item and weaken the clarity of the contract.

1.6a I recommend that, when future works contracts are tendered, the Council identify clearly who will bear the risk of adverse weather and/or tidal conditions. This will enable contractors to price for the risk, and allow the Council to have a higher degree of certainty over the likely end value of the contract works.

1.7 The terms of any grant requirements were clearly understood prior to any decisions being made in the event of potential overspends.

The terms of the grant requirements were clearly set out in the grant terms and conditions. What is less clear is whether or not the onerous nature of some of the conditions were fully appreciated prior to the application being made: the Project Manager has indicated that she would not recommend carrying out another project using this type of funding given the grant conditions' inflexibility.

Whilst the funding body offered 75% matched funding for the project, the requirements included a note that or a requirement to:

- Inform the MMO in writing and await approval before changing the project, funding package, increasing or decreasing the cost, changing the contractors or suppliers specified in the offer letter, changing the timetable, or selling infrastructure of relocating activity on which the project depends. Failure to seek approval could render costs associated with the change ineligible for EU funding, or could see the whole funding award cancelled;
- Funds not used for the purpose for which they were granted could result in enforcement action, including criminal prosecution under the Fraud Act 2006. Funds could be recovered in those circumstances;
- There is no automatic increase in funds if the project costs increase;
- Failure to observe the timetable for carrying out the project could lead to cancellation of reduction of funding.

The Project Manager noted that no contingency was allowed as part of the project costs. This is a restrictive requirement on this type of project, where there is a high likelihood of some overspend usually covered by a contingency, and appears the reason for the Project Manager agreeing to the Council bearing the day rate of any downtime (as the EMFF would allow claims for unforeseen costs, but not upfront requests for contingency).

The associated guidance for EMFF grant applications and claims note that:

- The grant conditions set out the forecast date and £value for the claim schedules
- There are only a certain number of opportunities to make a claim in accordance with that schedule, and any changes to timing or amounts need to be agreed before the claim is made.
- Final claims should be submitted within three months of the end of the project.

Note that for this project, with the lack of a key facts sheet and risk register, and the lack of a formal handover, it would have been very easy for the restriction on numbers of claims to be missed. This could have led to the Council being unable to make a claim in relation to final expenditure.

Note also that the tight deadline for fund expenditure increased the pressure on the Council to ensure that contract works were carried out in 2018, even once the good weather window had passed. Had the grant conditions been more flexible, and the contractor amenable, there is a greater chance that the works would have been rescheduled. This would have saved both Council and grant body a considerable sum of money.

A recommendation about the future use of grants with similar terms and conditions has been made above at 1.5d.

Audit Recommendations

Recommendations made during the audit are shown in appendix one to this report.

Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is or may not be being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	12
Medium	0
Low	0
TOTAL	12

I would like to thank Martin Ayres, Town Clerk; Alison Spencer, Finance Manager; Cllr Mike Bonfield, Mayor; former Cllr John Bishop (then Chair of the General Operations Committee); Vivienne Berry, Team Leader Regional Property Surveyor at Dorset Council; and Roland Julian, Repairs and Maintenance Delivery Team Leader at Dorset Council for their assistance during this audit.

Darlin Miller ~ Chartered Accountants
2021/22 INTERNAL AUDIT OF SWANAGE TOWN COUNCIL
FINAL REPORT 29th OCTOBER 2021: FISHERMEN'S SLIPWAY PROJECT

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/ Medium/ High)	Management Response	Responsible Officer	Due Date
1.1a – Key facts sheet	I recommend that a key facts sheet is added to the front of the project file. This should contain a note of the key contacts (name, phone number, email addresses of the client, project manager and contractor), the contract details (description, location, fvalue, timescales), and key live issues which could stall or stop delivery (item, description, what has been done to address the matter, what remains to be done, key contacts). This should enable any officer taking over the project to get up to speed relatively quickly.	H	Agreed	TH1/OPPS1	With immediate effect.
1.1b - Alternate	I recommend that the appointed project manager ensures that each project has a named alternate who can step in and deal with urgent items in the absence of the lead officer. This should ensure no break in provision, and help to enable timely delivery of projects.	H	Agreed that any appointed project manager should be able to provide a named alternate to provide cover.	TH1/OPPS1	With immediate effect.
1.2a – Risk register	I recommend that the Council ensures that a risk register is drawn up for any significant projects in future in order to	H	Agreed	TH1/OPPS1	With immediate effect.

	help identify the project outcomes and risks of achieving them, and to help identify what actions would be taken to mitigate those risks. The register should be a live document used in planning, pre-contract, site, and wash-up meetings in order to ensure key risks are managed and any learning points identified to improve the management of future projects.				
1.2b – Scheme of delegation	I recommend that schemes of delegation are set out for larger projects to identify the roles and responsibilities for officers, Members and any third parties involved in a project. The document should also set out who has decision-making powers and what the thresholds are which trigger a different decision-making process.	H	Agreed	TH1/OPSI	With immediate effect.
1.2c – Wash-up meeting	I recommend that a post-contract wash-up meeting is built into the contract administration process for future capital works contracts over a de-minimis amount. This will ensure that learning points are identified and carried into future projects, improving the project management and increasing the likelihood of projects being delivered on time and in budget.	H	Agreed	TH1/OPSI	With immediate effect.

1.4a – On site meetings	I recommend that on-site meetings are held at the start and cessation of works (and on demobilisation and remobilisation if appropriate) and with sufficient frequency during the works in order to ensure that all issues are identified and dealt with promptly, and that meeting notes are maintained for all meetings.	H	Agreed	TH1/OPSI1	With immediate effect.
1.5a – Licence/ planning permission	Licence or planning permission requirements should be fully identified and complied with prior to the commencement of any project.	H	Agreed	TH1/OPSI1	With immediate effect.
1.5b – Third party requirements	Ensure that the requirements of any third parties are clearly identified and resolved in advance of on-site works starting.	H	Agreed The Project Manager noted that (with respect to the Wessex Water requirements): 'This was not possible to resolve in advance of the works. I did make efforts, in advance of the contract, to have the sewer CCTV surveyed – initially with another contractor but when we made a check on how to access the sewer they advised that the cover could only be lifted by heavy plant which could not be brought onto site until the commencement of the contract works (i.e when	TH1/OPSI1	With immediate effect.

				the fishermen had cleared their boats, tackle, nets etc.)’		
1.5c – Project timing	Ensure that any weather or tide dependent work is carried out at the optimum time.	H	Agreed. Where this is not possible the risk will be quantified and reported to Council prior to formal approval to proceed being granted.	TH1/OPSI1	With immediate effect.	
1.5d – Restrictive grant funding clauses	Ensure any restrictive clauses are clearly identified before applying for funds, and are noted on the key facts sheet at the front of the project file. Ensure all clauses are fully complied with. Consider carefully whether it is worth applying for grant funds with onerous clauses.	H	Agreed The Project Manager has noted that this recommendation may not be realistic as, due to the desire to avoid works being carried out in the summer (the Council’s busiest time and a time of greatest disruption to service users), there is no optimum time for such works to be scheduled.	TH1/OPSI1	With immediate effect.	

1.5e – Issue signed contract	Ensure an appropriate contract is used, and that the signed contract is issued to all parties as soon as it has been signed (and ideally before works commence).	H	Agreed	TH1/OPSP1	With immediate effect.
1.6a – Clarify who bears the weather/ tide risk	I recommend that, when future works contracts are tendered, the Council identify clearly who will bear the risk of adverse weather and/or tidal conditions. This will enable contractors to price for the risk, and allow the Council to have a higher degree of certainty over the likely end value of the contract works.	H	Agreed	TH1/OPSP1	With immediate effect.