

PUBLIC ACCOUNTS COMMITTEE

REVIEW OF THE FALKLAND COLLEGE /LIBRARY PROJECT



June 2022

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Abbreviations

ExCo	Executive Council
FICS	Falkland Islands Community School
FIG	Falkland Islands Government
MFL	Morrison Falklands Limited (now, RSK Falkland Islands Limited)
MLA	Member of the Legislative Assembly
PAC	Public Accounts Committee
PWD	Public Works Department
RSK	RSK Falkland Islands Limited (formerly, Morrison Falklands Limited)

Executive Summary

- 1.1 The Public Accounts Committee (PAC) has a constitutional and statutory role that includes looking into whether or not there has been value for money in public spending. (This includes making recommendations, not just about things that have gone badly and how to stop them happening again, but also about things that have gone well and how to make sure that they do happen again.)
- 1.2 This is a report on a review carried out by the PAC in relation to the construction of the new Falkland College/Library building and the refurbishment work being carried out at the former Training Centre. The review was one of three new projects that were included in the PAC's work plan for 2020-21, which was sent to the Governor and Legislative Assembly in August 2020.
- 1.3 The purpose of this review is to provide an analysis and evaluation of the project, considering (in terms of economy, effectiveness and efficiency) the benefit derived from the expenditure of public money on the project. (The scope of the review does not include matters of policy, but a common sense approach has been taken about what is policy and what is delivery.)
- 1.4 The most important thing to note about the Falkland College/Library is that there has been significant expansion of both the scope of the project and its budget: what was originally planned to be the refurbishment of the Training Centre workshop costing £300,000 has already become the construction of an entirely new building costing over £2,000,000 with the original refurbishment still to be completed and other works added to the programme as well.
- 1.5 Even after approval was given for the project to go ahead, there was a considerable increase in the actual cost of the Falkland College/Library building from a quotation of £1,278,068 to a final figure of at least £2,083,781.
- 1.6 To some extent, this increase was because of changes made to the scope of the project after the quotation had been given. However, there was also an element involved of both direct and indirect costs being passed on via the MFL/RSK Partnership Agreement for additional workers having to be recruited from overseas to deal with delays to the work.
- 1.7 Nearly 7 years after the workshop had to be closed following the imposition of a City & Guilds sanction and more than 6 years after refurbishment was first approved, that work has still not been carried out and it has not been possible to carry out while the workshop has been in use for the Shield programme. Even then, there still appears to be a lack of transparency about the future of the workshop.
- 1.8 The decision to move the Library from the Falkland Islands Community School to the new building was taken late and a previous decision ended up having to be reversed to do this. The need for additional accommodation at FICS had been

identified by 2014, but the decision to move the Library was not finally taken until 2018 (after a proposal for the move had been rejected in 2017). It is difficult to quantify the cost of this delay.

- 1.9 To some extent, the expansion in the scope of the project results from an evolution of the role of Falkland College (including the establishment of the Shield programme) and changes in training provision.
- 1.10 At the very least, there does not seem to have been a clear vision about the purpose of the project – even after this review, the answers to the following questions remain unclear:
 - What happened to the original priority of reopening the workshop for City & Guilds training?
 - Is there a conflict between the vocational, academic and social roles of what has become Falkland College?
 - To what extent did the need to free up space in FICS affect decision making?
 - Similarly, how did the addition of the Shield programme affect decision making?
- 1.11 The absence of a clear vision is particularly relevant to assessing effectiveness of the project. The objectives have been revised at least three times in papers presented to Executive Council (ExCo). This report does not question that ExCo should revise objectives. However, the surprising number of changes presented to ExCo and lack of clarity in defining objectives resulted in increased risk to the project and resulted in poor financial efficiency and effectiveness.
- 1.12 Another matter of concern is there does not appear to be any indication about the planned life of the building, other than that it is expected to be there for an unspecified long time.
- 1.13 Moreover, although one of the considerations in the decision to build the College was that it would be cheaper to run than a refurbished workshop, it has turned out that the running costs of the building (estimated at £23,500 per year) are considerably higher than had been expected. Difficulties have also been experienced with the heating and ventilation system.
- 1.14 Concerns have been expressed in some quarters about the layout of the building, in particular about too much of the available space being allocated to the reception and not enough to private office or meeting room space. Also, although some provision has been made for expansion into the roof space, the scope for that appears to be limited and, currently, it cannot even be used for storage.

- 1.15 If the capital investment in Falkland College is to have been well spent, then this will need to be supported by an adequate operating budget spent wisely. To some extent, this goes beyond the scope of this review, but it is relevant in the long term to the outcomes/effectiveness of the project.
- 1.16 None of this is intended to detract from the evident success of Falkland College and the Library:
- The Library is well used and well regarded with footfall having increased as soon as it reopened in its new home and continuing to increase.
 - The role of Falkland College has vastly expanded from that of the former Training Centre and, although that role will continue to evolve and may need to be reviewed, that has been supported by the availability of the new building. This has been particularly valuable during the Covid-19 pandemic.
- 1.17 If anything, there may be problems with the continued expansion of Falkland College if the building does turn out not to be future proof or if the operating budget is not provided to make full use of the new facility.
- 1.18 Some lessons have been learned by FIG from previous projects, but not all of the lessons to be learned appear to have been put into practice.
- 1.19 A comparison between the Falkland College/Library project and the recommendations made by the PAC in its 2019 report on the Swimming Pool project shows that some of the same issues (or related issues) have arisen again. Some of those issues arose even after the PAC had made its recommendations on the Swimming Pool project.
- 1.20 Lessons learned from the Falkland College/Library project could have value not just for the next phases of the College project, but also for the much larger set of works planned for the rest of the Education Estate and for other FIG projects (such as the port).
- 1.21 The most important of these lessons would appear to be:
- (1) There needs to be a clear vision for a project, so that it can be planned in advance to reduce delay and cost and also so that its outcomes can be measured afterwards. This should also include an appropriate element of future proofing, so that expansion and adaptation are not made unnecessarily difficult or expensive.
 - (2) Cost estimates need to be more realistic and the risk of “optimism bias”, which appears to be a recurring issue in FIG projects, needs to be recognised and addressed.

- (3) More attention needs to be focused on the whole life cost of projects, including not just their initial capital costs. Consideration also needs to be given to the possibility of using renewables more effectively in projects.
- (4) Consideration needs to be given to the allocation and management of risk in construction contracts. This does not necessarily mean agreeing fixed price contracts in all cases, but budgets and timescales should at least include appropriate levels of contingency – for this project, those were starkly inadequate.
- (5) Resource constraints, such as the availability in the Islands of suitable workforce and materials, need either to be addressed to minimise their impact on the time and cost of projects or, at the very least, to be recognised to allow timescales and budgets to be more realistic.
- (6) There needs to be a way to ensure that the local context of a project is taken into account and that appropriate use is made of local knowledge, even when specialist expertise or outside resources have to be brought in.

About the Public Accounts Committee

- 2.1 The Public Accounts Committee (PAC) was established by section 81 of the Constitution¹ and it is regulated by the Public Accounts Committee Ordinance 2009.²

The PAC's membership

- 2.2 The PAC has five members:

- After consulting Members of the Legislative Assembly (MLAs), the Governor appoints a member of the public to be the PAC Chair and two other members of the public to be PAC members.³ None of these can be MLAs. Nor can the Financial Secretary – described in the Constitution as Director of Finance – be a member of the PAC.
- The Legislative Assembly elects 2 MLAs to be the other two PAC members.⁴ An MLA cannot serve on the PAC at the same time as being a member of Executive Council nor at the same time as being the Chair or Deputy Chair of the Standing Finance Committee.

- 2.3 The PAC appoints one of its members to be the Deputy Chair.⁵

- 2.4 The current members of the PAC are:

- Andrew Newman (Chair)
- Sacha Cleminson (Deputy Chair)
- Nadia Knight
- MLA Teslyn Barkman
- MLA Peter Biggs

- 2.5 The work of the PAC is supported by a full time Clerk, Nancy Locke. It can also engage other people to assist in its work.⁶

¹ <https://www.legislation.gov.uk/ukxi/2008/2846/schedule/paragraph/81/made>

² <https://legislation.gov.fk/view/whole/inforce/2021-04-11/fiord-2009-11>

³ See section 81(1) of the Constitution.

⁴ See section 81(1) of the Constitution and section 5 of the Ordinance.

⁵ See section 4 of the Ordinance.

⁶ See section 81(4) of the Constitution and sections 9 and 9A of the Ordinance.

The PAC's role

2.6 The functions of the PAC⁷ can be summarised as follows:

- to examine and report on public accounts and audit reports, including those of FIG itself, as well as statutory bodies, bodies that receive public money and bodies in which FIG or a statutory body is a shareholder.
- to advise on external audit arrangements and to examine and report on all reports produced by FIG's Internal Audit Department.
- to consider and report on the effectiveness of the regulation of bodies that have been granted franchises to provide services of a public nature.
- to consider and report on any other matter that the Governor may refer to the PAC.

2.7 When carrying out its functions, the PAC has to look at the value for money derived from the public money that has been spent. It can also look at the arrangements made to manage financial risk.⁸

2.8 The Ordinance uses the terms "economy, efficiency and effectiveness".⁹ These are widely used concepts in this field¹⁰ and they can be described as "spending less, spending well, and spending wisely".¹¹

2.9 One way¹² of measuring these involves looking at:

- inputs, such as staff and buildings vs costs in monetary terms (economy)
- outputs of a particular good or service vs inputs (efficiency)
- outcomes in terms of the impact on society vs outputs (effectiveness)

Value for money is the overall relationship between costs and outcomes.

2.10 The role of the PAC does not include considering matters of policy: the PAC's job is not to look at why money has been spent, but how.¹³

⁷ See section 81(5) of the Constitution and section 11(1) of the Ordinance.

⁸ See section 11(3) of the Ordinance.

⁹ Section 11(3)(a)

¹⁰ See, for example, Part II of the UK National Audit Act 1983

¹¹ Joachim Werner, "Best Practices of Public Accounts Committees" (22 November 2002), p8

The paper, originally contributed for the Handbook for Public Accounts Committees commissioned by the Association of Public Accounts Committees (APAC) in South Africa, is published online by the International Budget Partnership at <https://www.internationalbudget.org/wp-content/uploads/Best-Practices-of-Public-Accounts-Committees.pdf>

¹² See the Annex "Measures of Achievement" to Kristensen, Groszyk and Böhle, "Outcome-focused Management and Budgeting", *OECD Journal on Budgeting* Volume 1 Number 4 (2002), pp32-33

The article, cited by Werner in his paper, is available online at <https://www.oecd.org/gov/budgeting/44526575.pdf>

¹³ See section 11(2) of the Ordinance.

- 2.11 However, although the Ordinance provides that the PAC's functions do not include considering matters of policy,¹⁴ it does not define what are matters of policy and there is a clear potential for overlap between policy and delivery, particularly when looking at effectiveness.
- 2.12 A common sense approach is being taken in this review to determine what are matters of policy and what are matters of delivery.

¹⁴ Section 11(2)(a)

The Falkland College project

The project

- 3.1 Construction work on the Falkland College/Library building started on 8 April 2019, with a planned completion date at that stage of 4 October 2019.¹⁵
- 3.2 The work was carried out under a Letter of Instruction issued on 19 September 2019 under the Partnership Agreement between the Falkland Islands Government and Morrison Falklands Limited, now RSK Falkland Islands Limited. (During the course of construction, ownership of Morrison Falklands Limited changed hands from Galliford Try to the RSK Group.¹⁶)
- 3.3 Despite some delays (and issues) during construction¹⁷, the Library moved into the new building during January 2020¹⁸ and work on the building was substantially complete by the end March 2020, just in time for the start of the Covid-19 shutdown on 27 March 2020.¹⁹
- 3.4 The keys to the new building were handed over to the Education Department on 16 March 2020²⁰ and it was opened to the public later in that year once Covid-19 restrictions were lifted.
- 3.5 External works to the car park, access road and footpaths started again on 27 May 2020 and these were completed on 24 August 2020. Following an inspection by PWD on 25 August 2020, RSK vacated the site.²¹
- 3.6 Further works have been carried out to provide accommodation for the new Shield programme by converting the Lister Building (an existing structure already located on the same site) and putting up a new modular building. (These works are not part of this review, but are relevant to it.)
- 3.7 Work finally started on the modular building in December 2021, some months after it arrived in the Islands – the delay was raised by MLA John Birmingham in his Motion for Adjournment speech at the meeting of the Legislative Assembly on 8 November 2021.
- 3.8 It was stated in December 2021 that the new modular building was expected to operational by late Autumn.²² Subsequently, it was stated that PWD hoped that the building works would be completed in February 2022.²³

¹⁵ Clerk of Works Report, 12 April 2019

¹⁶ <https://penguin-news.com/headlines/community/2020/rsk-group-acquires-morrison-falklands-ltd/>

¹⁷ These are described in various Clerk of Works Reports and the minutes of several of the regular meetings that took place throughout the project and they are discussed elsewhere in this report.

¹⁸ Minutes of the 20th meeting, held on 13 January 2020, and the 21st meeting, held on 27 January 2020

¹⁹ Clerk of Works Report, 5 June 2020

²⁰ Education Department Annual Report 19/20 – see Appendix 5

²¹ Clerk of Works Reports, 5 June 2020 and 28 August 2020

²² Director's Open Report for the Education Board meeting on 6 December 2021

²³ Director's Open Report for the Education Board meeting on 7 February 2022

- 3.9 There have been conflicting indications about the longer term future of the original Training Centre workshop.²⁴

The scope of the project

- 3.10 The following exchange is recorded in the minutes of an Education Board meeting held on 25 November 2019, while the Falkland College/Library building was still under construction:

“SW [a parent representative] said that the College seems to have been built quickly. CS [the Director of Public Works] said that it may seem like this but it has been 7 years in the making.”

- 3.11 Although the go ahead for construction work to start (approval for a Letter of Instruction to be issued to what was then Morrison Falklands Limited, now RSK Falkland Islands Limited) was not given by Executive Council until September 2018²⁵ and external works were not approved until 2019²⁶, the story had begun several years before, in the period between 2013 and 2015:

- (1) Work had started in 2013 on converting two portacabins to become an OFTEC Centre for the training and certification of heating engineers. However, that work was not completed (possibly because the member of Training Centre staff responsible for this initiative had resigned,²⁷ but also because of regulatory uncertainty about whether OFTEC certification would become a requirement²⁸) and there were discussions about the potential of this building to become the Training Centre’s administrative hub, freeing up the main building for additional space to accommodate training needs.²⁹
- (2) In June 2014, Scintilla was commissioned to produce a Training Needs Analysis³⁰ and a Training Plan based on this was accepted by Executive Council in 2015 – the recommendations were described as considering “a fairly radical shift in the provision of training in the Falkland Islands”³¹ and included creating a new Training Organisation³² and “on-Island technical and vocational Skills College”.³³

²⁴ This is partly based on comments made during the informal meetings with the College Development Manager on 22 September 2021 and FIG’s Project Manager on 16 November 2021, but it is also based on information obtained from publicly available papers for the Education Board

²⁵ ExCo paper 155/18

²⁶ ExCo paper 65/19

²⁷ Based on comments made during the informal meetings with the College Development Manager on 22 September 2021 and another individual who provided information in private

²⁸ ExCo paper 02/16, para 4.13

²⁹ ExCo paper 02/16, para 4.13

³⁰ ExCo paper 129/14

³¹ ExCo paper 54/15, para 6.1

³² para 6.2 – Scintilla recommendation 1

³³ para 6.4 – Scintilla recommendation 2

(3) In 2015, the Training Centre workshop had to be closed following an External Quality Sampling Assurance Visit by a City & Guilds assessor that resulted in the imposition of a high level sanction – among other shortcomings, the assessor advised that the workshop did not meet the health and safety requirements.³⁴

(4) Meanwhile, open minutes of Education Board meetings from 2014 onwards contain regular warnings that class sizes in the Infant and Junior School at that time were pointing to a future need for additional classroom space at the Falkland Islands Community School. (This was first raised no later than at a meeting that took place on 13 March 2014.)

3.12 The first ExCo paper³⁵ about what became the Falkland College project was considered by Executive Council in January 2016, which was part of a suite of three ExCo papers³⁶ about training in the Islands. Based on that paper, Executive Council gave approval in principle for redevelopment of the Training Centre workshop and authorised a detailed costing exercise.



The old Training Centre building

3.13 The scope and nature of the project expanded as further ExCo papers³⁷ were considered in 2017, 2018 and 2019:

2017 Approval was given to build a new office and classroom complex as well as refurbishing the existing workshop:



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³⁴ See Appendix 4 for extracts from the Centre Activity Report

³⁵ ExCo paper 02/16

³⁶ ExCo papers 01/16, 02/16 and 03/16

³⁷ ExCo papers 36/17, 78/17, 87/18, 155/18 and 65/19

At this stage, the proposal to include the Library was put forward as an “enhancement to the recommended option” but was not approved – the recommended option (without the addition of a library) was described as “providing the most value and functionality for the proposed investment”.³⁹

2018 Approval was given for a revised design, now including the Library:



This was done in the context on the basis of a paper outlining options for additional classroom space at the Falkland Islands Community School, needed to accommodate a cohort of 55 children expected to move up to FICS in September 2020.⁴¹

Even though the need for additional space at FICS had been identified at least 3 years before, that had not been mentioned in either of the 2017 ExCo papers – other justifications for the option of moving the Library were put forward instead at that time.

2019 Approval was given for works to upgrade the access road and car parking areas to improve access for pedestrians and the disabled.

According to the ExCo paper, it had been assumed in previous funding requests that the unsurfaced road and parking areas would be sufficient, but MLAs had requested that the works were included and that a proposal be put forward for the required funding.⁴² It was acknowledged that doing nothing would make pedestrian and disabled access “much more difficult”.⁴³

The need for external works had been recognised before 2019 and the then Training Centre Manager told the Vocational Board in November 2017 that the footpath was included in the budget for the project but that

³⁸ Taken from ExCo paper 78/17 – not to same scale as 2018 drawing below

³⁹ ExCo paper 78/17, para 5.1

⁴⁰ Taken from ExCo paper 155/18 – not to same scale as 2017 drawing above

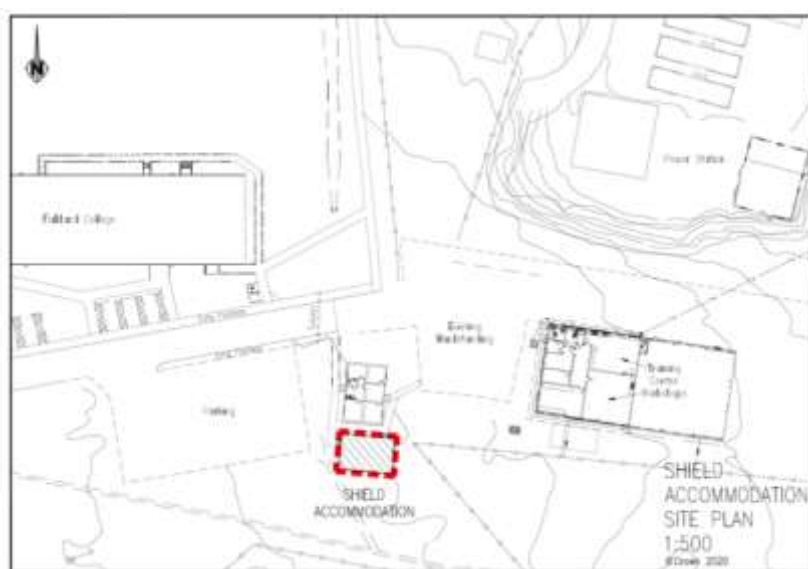
⁴¹ ExCo paper, 87/18 – Background Report 4.11, paras 3.1 to 3.4 and 9.1 to 9.3

⁴² ExCo paper 65/19 – Background Report 4.1, paras 4.2 and 4.3

⁴³ para 5.1

improvements to the car park were to come from a separate PWD budget.⁴⁴

- 3.14 In the meantime, following a decision taken in June 2018,⁴⁵ the Shield programme for vulnerable adults had been set up in September 2019 as part of the Falkland College structure. As a result, decisions were taken to convert the Lister Building and to put up a new modular building.
- 3.15 It seems safe to assume that there was ExCo approval for the additional works. However, the relevant ExCo papers were not provided (possibly because they were seen as being outwith the scope of the original request for information) and a search on the FIG website did not locate public versions of the papers.
- 3.16 The plans for the new modular building were presented to the Education Board at its meeting on 22 February 2021:



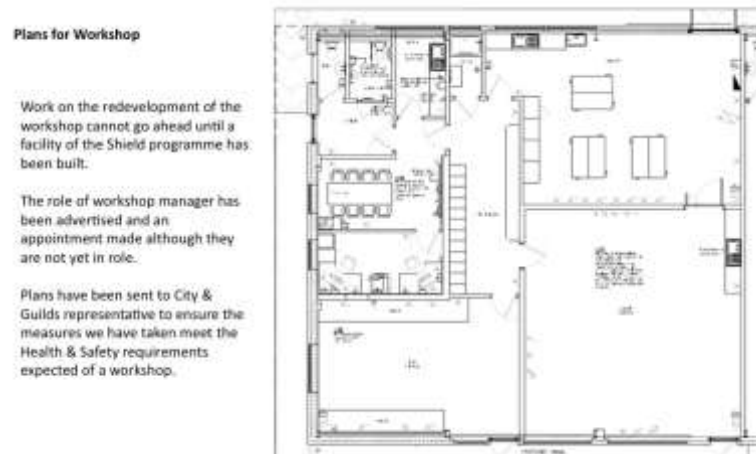
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- 3.17 The Education Board was told on 10 December 2020 that the building scope for the new workshop had been written and that works should be going ahead in the 2020/21 academic year. That did not happen.
- 3.18 In a presentation at the Education Board meeting on 22 February 2021, the College Development Manager said that the redevelopment of the workshop could not go ahead until the facility for the Shield programme has been built, but that plans for a new workshop had been sent to a City & Guilds representative to ensure the measures taken would meet the requirements:

⁴⁴ Closed minutes of a Vocational Board meeting on 15 November 2017

⁴⁵ ExCo paper 05/18

⁴⁶ Taken from a Powerpoint slide for the presentation by the College Development Manager, to the Education Board meeting on 22 February 2021 – not reproduced to scale



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- 3.19 Pending construction of the new modular building, the original workshop was being used for the Shield programme and for storage.



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(As an aside, it is worth mentioning that concerns were raised about the risk of using the workshop for vulnerable adults, but reassurance has been given that the health and safety issues identified by City & Guilds related to the way in which the workshop was being used at the time and not to structural issues that would affect its current use.⁴⁹)

- 3.20 It has even been suggested more recently that the increased use of online training means that a workshop might no longer be required or that it might be a lower priority than before against competing demands from other projects – that is explored in more detail below in relation to the vision for the project.

The vision for the project

⁴⁷ Taken from a Powerpoint slide for the presentation

⁴⁸ Photo taken by the PAC Secretary on 20 October 2021

⁴⁹ That reassurance was given by the College Development Manager during an informal meeting that took place on 22 September 2021.

- 3.21 Planning permission for the first version of the Falkland College building (without the Library) was approved at a meeting of the Planning and Building Committee on 1 November 2017. The minutes of that meeting refer to the following exchange:

“Members agreed that the facility was needed and had no comments to make.

SH [a lay member] raised a question regarding the proposed relocation and rebuilding of the junior school adjacent to the proposed development and stated there had been discussions around alternative locations for the proposed school and power station.

HEP [the Head of Environmental Planning] stated until a full FIG asset management plan had been carried out regarding office and service accommodation needs it was difficult to predict, however, future needs and provision could not form part of the assessment of the application before them. Members had to base their recommendation on the merits before them today.”

- 3.22 It would appear that the same applied to MLAs – they were being asked to take (and, indeed, retake) decisions on the basis of an incomplete picture, even if each of the decisions they took was based on the merits before them at the time.
- 3.23 On the other hand, it is also clear that there has been a willingness to change decisions in the light of additional information – for example, the recommendation in 2017 to construct a new building as opposed to simply refurbishing the existing workshop was justified in these terms:

“PWD’s detailed costing of the refurbishment of the Training Centre revealed that the total project costs will be far higher than anticipated in 227/15 and also revealed that a renovation could not fully address noise concerns.”⁵⁰*

- 3.24 However, it would also be inevitable to have at least some suspicion that there may have been a strategy to get approval in stages for a project that might not have been approved in that form if it had been presented as a complete proposal.
- 3.25 There are also worrying signs that there may have been a lack of clear vision at stages during the project and that the project may not now reach what was originally regarded and/or presented as its primary goal.
- 3.26 At an informal meeting in November 2020, the College Development Manager, indicated that the impetus for the Falkland College project had come from the

* An earlier draft of what became ExCo paper 02/16 had been numbered 227/15.

⁵⁰ ExCo paper 78/17, para 3.2

aftermath of the adverse City & Guilds Quality Assurance visit in 2015 and this is borne out to some extent by the available evidence.

- 3.27 However, it also appears⁵¹ that the project had not one but four aims and that there may have been a lack of clarity at times about which of these aims had the highest priority:

- (1) Meeting the ambitions of The Training Plan based on the Scintilla Report
- (2) Addressing the issues that resulted in the withdrawal of City & Guilds accreditation for workshop based courses
- (3) Providing additional accommodation for FICS by releasing space formerly used by the Library
- (4) Providing for the needs of vulnerable adults via the Shield programme.

- 3.28 The new building does not deal on its own with what was originally regarded as the most important: bringing the workshop facilities up to standard for City & Guilds accreditation.

- 3.29 There have also been suggestions that there has been a lack of clarity about aspects of the role of Falkland College, such as:

- the balances to be struck between academic and vocational provision and between online and practical learning
- the extent to which the College serves a wider community function
- the way in which the Shield programme and other services fit within the College.⁵²

- 3.30 Another aspect of this is a suggestion that, at times during the project, there may have been a lack of continuity within the Education Department and a lack of corporate memory.

- 3.31 In addition to the difficulties that were initially experienced in obtaining information about the project (possibly suggesting poor record keeping in the past),⁵³ concerns about lack of continuity between Directors of Education were raised at an Education Board meeting in 2018:

“8.3 KL [a parent representative] pointed out that it is very difficult to hold the Director to account for example if Board members are not having sight of important documents such as

⁵¹ Based on the ExCo papers, the open minutes of the Education Board and informal meetings with some of those involved with the project

⁵² These suggestions emerged in the course of informal meetings with some of those involved with the project and information provided informally by others with relevant knowledge.

⁵³ These were explored in the Draft Interim Report that was published in April 2021, but they are also referred to in Appendix 3 to this report.

the Budget, the Self Evaluation Form (SEF) and the School Improvement Plan (SIP).

There needs to be an action plan so there is set times for the documents to be provided otherwise it falls apart, especially with the change of directors.”⁵⁴

3.32 As a case study, there is a recent practical example of why a lack of clarity about the role of the College might have practical implications:

- (1) As part of an overhaul of the Building Regulations, regulation 24 of the Building (Amendment) Regulations 2020 would have introduced a requirement for oil-fired heating appliances to be installed, tested and commissioned by someone with appropriate OFTEC certification.⁵⁵
- (2) Although this would have been a new requirement in the Islands, it was not necessarily a new proposal and the process had started in 2013.⁵⁶
- (3) ExCo paper 02/16 refers to “uncertainty as to the regulatory need of OFTEC certification”. However, options for providing OFTEC certification were mentioned in relation to both of the options put forward at that time for refurbishing the Training Centre workshop.⁵⁷
- (4) However, as soon as the Building (Amendment) Regulations 2020 were published, concerns were raised by businesses about several of the amendments, including the new requirement for OFTEC certification:

“Chamber members have expressed significant concern that the regulation would be difficult to comply with and that those in industry who may have competency through experience, but no formal qualifications, would be prejudicially affected when the regulations become effective.”⁵⁸

- (5) The outcome was that the Building (Amendment) Regulations 2020 were revoked and replaced before they ever came into force and the new Building (Amendment) Regulations 2021⁵⁹ did not include the requirement for OFTEC certification for now. (Further assessment was going to be carried out over an estimated 12-18 month period.⁶⁰)

3.33 Something that emerged from more than one of the informal meetings that took place with those who had information to contribute was that the problem with

⁵⁴ Open minutes of an Education Board meeting on 7 June 2018

⁵⁵ <https://legislation.gov.fk/view/html/made/fisl-2020-21#sec.24>

⁵⁶ ExCo paper 48/21, para 4.12 and section 10

⁵⁷ ExCo paper 02/16, paras 5.1.1 and 5.2.2

⁵⁸ ExCo paper 48/21, para 3.4

⁵⁹ <https://legislation.gov.fk/view/html/made/fisl-2021-3>

⁶⁰ ExCo paper 48/21, para 9.2

providing training locally is not just about whether or not there is a workshop at the College but whether or not there are assessors in the Islands.

- 3.34 During an informal meeting in September 2021, the College Development Manager explained that, during the Covid-19 pandemic, arrangements had been made with a UK training provider, PIP Services, for online NVQ City & Guilds qualifications in construction areas.

(Electrical work is an exception to this, but the College Development Manager also explained that apprentice electricians would still need to go to the UK in any event, because no local electricians are recognised by City & Guilds to provide work experience for their qualifications.)

- 3.35 Because PIP Services only use Zoom which is not allowed on the FIG computer system, a dedicated line has had to be installed for students to talk to their tutor. However, it has been made clear that a great deal of money is saved because the courses can be completed more quickly and students do not need to travel overseas.⁶¹

- 3.36 The Director's Open Report for the Education Board meeting on 5 August 2021 contained the following update:

"The level 2 carpentry courses through PIP Services Ltd are being well received, all 4 candidates have passed the first 2 modules. More interest to undertake these courses have been sought from PWD trades people."

- 3.37 In this context, the possibility was raised by the College Development Manager during an informal meeting in September 2021, that the requirement for a workshop might even have been overtaken and that there may be a need to prioritise other work that needs to happen within the Education Estate.

- 3.38 An Education Estate Oversight Group has been established and the latest publicly available versions of the programme of works that are planned list the following:^{62 63}

- Extension to FICS as detailed in the FIG 10-year capital plan
- New IJS&CE as detailed in the FIG 10-year capital plan
- The new cabin for Shield woodworking activities at Falkland College
- The long-term capital needs for Shield
- Fire risk assessments at IJS&CE and FICS and mitigating maintenance and capital improvements
- The development of the chemical store at FICS

⁶¹ Director's Open Report for the Education Board meeting on 5 August 2021

⁶² Director's Open Report for the Education Board meeting on 6 December 2021

⁶³ Director's Open Report for the Education Board meeting on 7 February 2022

- On-going maintenance needs at Stanley House, FICS, IJS&CE
- Outdoor play facilities at FICS
- Traffic safety measures
- Nursery mini-bus parking at Stanley House

3.39 It may or may not be significant that the redevelopment of the Training Centre was included in a version of the programme of works that appeared in the minutes of the Education Board meeting on 5 August 2021, but not in the version in the Director's Open Report for that meeting or in subsequent versions of the programme.

3.40 In the meantime, the Director's Open Report for the Education Board meeting on 6 December 2021 contained the following update:

"Workshop Manager post has not been advertised. It will remain unfilled until there is a clear timeline for the refurbishment of the workshop."

Although the College Development Manager had stated in February 2021 that the Workshop Manager post had been filled, it was noted in the minutes of the Education Board meeting on 5 August 2021 that the person appointed had resigned due to a better salary being offered in the private sector.

3.41 If a decision were to be taken not to proceed with the workshop refurbishment, there could be two ways of looking at that:

- The most negative way of looking at it would be that, if the workshop refurbishment does not go ahead, there will have been a total failure of vision for the project because its original aim will not have been fulfilled.
- A more positive way of looking at it would be that the vision for the project has evolved over time and a decision to reprioritise the workshop might be the most appropriate one to take in the light of developments in training need and training provision.

3.42 It would be straying into policy to express a view about whether or not the workshop refurbishment should still go ahead (and such a view would not be based on the full range of information). However, it may be worth observing that the changes in training provision described by the College Development Manager, recent changes to immigration law and the development of a new Islands Plan may prompt a review of what vocational training provision is needed and how best to provide it.

The budget for the project

3.43 Based on the unredacted ExCo papers provided after the release of the Draft Interim Report but without having had access to the minutes, the total amounts approved for the Falkland College/Library project add up to at least £2.55 million (not including anything to do with facilities for the Shield Programme):

2016/17⁶⁴ An initial (uncosted, pending the detailed costing exercise that had been approved earlier in the year) figure of £300,000 was approved for the refurbishment of the Training Centre workshop.

2017/18⁶⁵ An additional £600,000 was approved.

The total to that point (£900,000) was made up of:

- £800,000 for a new Training Centre complex (but without a new Library)
- £100,000 for refurbishing the existing workshop

2018/19⁶⁶ An additional £950,000 was approved, made up of:

- £575,000 for the Library
- £375,000 to cover increased building costs

£1,814,300 of the total at this point (£1,850,000) was made up of:

- £1,564,300 for the new building (including the Library)
- £200,000 for the refurbishment of the existing workshop
- £50,000 for basic furniture and fixings

The balance (£35,700) came from rounding up the additional funding sought to cover additional design, landscaping and internal fitting requirements.

2019/20⁶⁷ An additional £700,000 was approved in 2019/20 to cover works to the access road and car park areas for the complex.

3.44 No information or documentation has been made available about the amount budgeted for the additional works for the Shield programme. Nor is it known whether any additional funding was allocated at that stage (in the same way as had been done in 2018/19) for increased costs in relation to the work already approved.

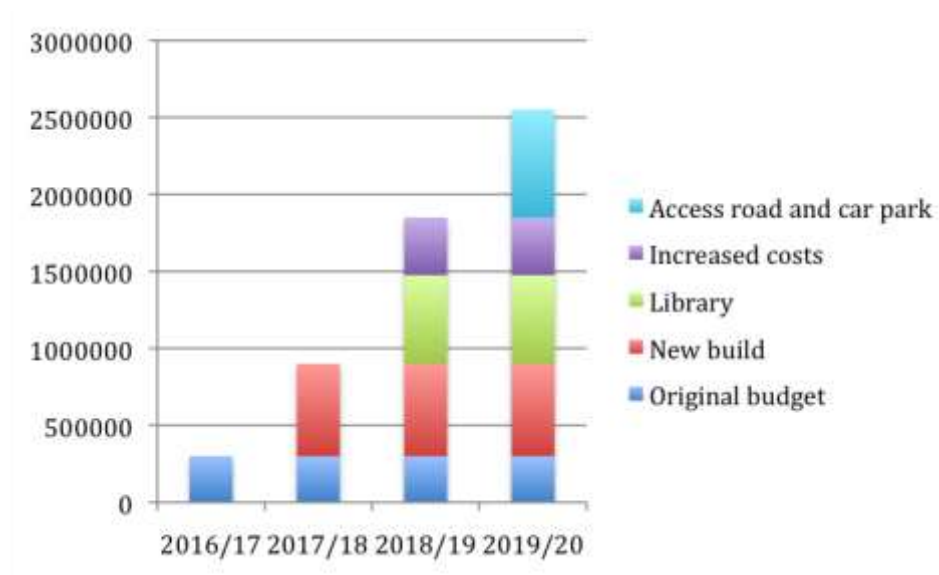
3.45 The following chart illustrates how the budget for the project increased between 2016 and 2019 – the amount of money actually spent is dealt with separately:

⁶⁴ ExCo paper 02/16

⁶⁵ ExCo paper 78/17

⁶⁶ ExCo paper 87/18 – Background Report 4.1

⁶⁷ ExCo paper 65/19 – Background Report 4.1



The cost of the project

3.46 In September 2018, Executive Council approved the issue of a Letter of Instruction to Morrison (Falklands) Limited (MFL, now RSK following the sale of MFL during the course of construction) for them to carry out the construction of the new building. Approval was given on the basis of a cost estimate of £1,341,971, which included a 5% contingency over the MFL quotation of £1,278,068.⁶⁸

3.47 That cost estimate was less than the £1,564,300 that had been budgeted for the new building including the library at the time of the 2018/19 budget approval.⁶⁹ That figure had been arrived at in the following way:⁷⁰

- (1) MFL had provided a detailed cost estimate of £989,300 (£1978/sq m) for the original 500 sq m design without the new Library.
- (2) With the addition of the Library, the footprint of the building increased by 230 sq m. However, the revised budget was calculated on the basis that the library space would be built to a different specification with strengthened concrete floors and increased roof/ceiling spans and that the additional space might cost as much as £2,500/sq m (£575,000).
- (3) The ExCo paper that sought approval for the Library to be co-located at Falkland College refers to increased building costs of £375,000 that were unrelated to the move and includes these in the funding requested.⁷¹

⁶⁸ ExCo paper 155/18 and Letter of Instruction dated 19 September 2018

⁶⁹ ExCo paper 155/18, para 4.8

⁷⁰ ExCo paper 87/18 – Background Report 4.11, Appendix 1

⁷¹ ExCo paper 87/18 – Background Report 4.11, para 3.3 and Appendix 1

No specific explanation is given about what these increased building costs are for or how they have arisen. However, they may be explained to some extent by this passage from the document:

"Specifications

A philosophy of energy efficiency and spend to save have been adopted for the design of the main building. This includes addition levels of wall insulation, double glazed window systems and a solar thermal heating system with underfloor heating. This high specification does come at a higher capital cost but should provide lower operating costs. This has been demonstrated for the fisheries building."

(It should be noted that not all of these specifications were followed in what was built and that the heating system is both unsatisfactory to users and more not less expensive to run – this is dealt with more fully below.)

- 3.48 However, the ExCo paper approving the issue of the Letter of Instruction contained the following warning:

"6.3 Other Resource Implications

The delivery of this project is reliant on the availability of resources within MFL, PWD and private sector contractors.

*High workloads may impact on the ability to deliver and this may require additional resource to be sought from overseas. However there is currently sufficient contingency within the budget to cover these potential increases in cost."*⁷²

- 3.49 The quotation from what was then MFL was accepted before the external works were approved in 2019 and there is a recurring theme in minutes of the regular meetings held during the project that the scope of the project had changed considerably between the original quotation and the work being carried out.
- 3.50 As early as 16 April 2019 (just after work had started), FIG's Project Manager made the following observations in a project management Highlight Report:

"Construction cost under review due to many scope changes.

...

The original Letter of Instruction cost did not included all the works which came out during design. The cost and required VO's are currently being considered still keeping the construction cost within budget.

⁷² ExCo paper 155/18 – Background Paper 4.11, para 6.3

...
Doing all the works within budget is at risk.

...
To many estimate and assumptions made at pricing stage. More information and details to be provided to contractor with a better understanding of the scope of the works to give a more exact cost estimate."

- 3.51 According to an Excel workbook used to calculate payments to MFL/RSK, the budget for the project increased between August 2019 and September 2019 from £1,278,068 (the amount of the MFL quotation) to £1,641,976.⁷³
- 3.52 By April 2020, the actual cost of the project to that point (when the building was substantially complete but external works still had to be completed) had reached no less than £2,083,781.⁷⁴ The final total is likely to be higher than that, since further external works were carried out between May 2020 and August 2020.
- 3.53 The April 2020 spreadsheet highlights that, by this time, there was a deficit of £441,805 against even the increased budget of £1,641,976 for the contract:

42	Add payroll at cost		£2,030	
43	Total project cost to date		2,083,781	
44	Budget		1,641,976	
45				
46	Budget balance (deficit)		(441,805)	
47				75

- 3.54 By 27 February 2020, 41 Variation Orders had been issued, totalling £885,318.27.⁷⁶
- (1) By far the largest Variation Order was for £338,001 and was issued for "Increase in cost after reviewing programme, subcontractors, resources and materials. (LOI issued 19/09/2018)".
- (2) Two other Variation Orders related to ancillary costs (advertisements, flights and accommodation) of recruiting additional workers to deal with a backlog of work.
- (3) One Variation Order was for a (relatively small, £1,544.73) negative amount, as the actual cost of shelving was less the amount that had been included for it in the quotation.

⁷³ Payments on Account workbook, August 2019 and September 2019 sheets

⁷⁴ Payment Summary and Payments on Account workbook, April 2020 sheet

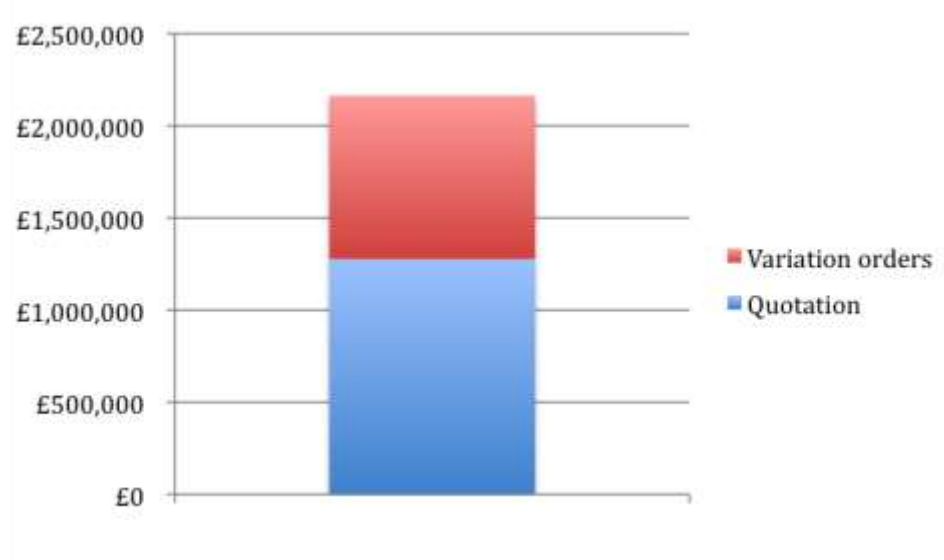
⁷⁵ Extracted from Payments on Account spreadsheet, April 2020 sheet

⁷⁶ Variation Order Register

(4) One Variation Order (for £18,225.75) related to the purchase of new joinery tools and a tower that became the property of PWD on completion of project.

(5) Two of the Variation Orders were cancelled and a third was included within another Variation Order.

3.55 The following chart illustrates the increase in cost from the original quotation:



(It should be noted that the Quotation and Variation Orders add up to £2,163,386, which is more than the total cost of the project shown in the Payments on Account workbook as at April 2020. It is not clear where this difference comes from, but it may be that this covers external works that were to be still to be carried out.)

3.56 37 of the Variation Orders (totalling £710,064.64) were all dated 27 February 2020, some time after much of the work had been carried out or the costs incurred.

3.57 This inevitably raised concerns about whether the Variation Orders had been properly checked at the time and about an apparent lack of information throughout the contract:

(1) A question had been asked about a new price for the contract at the very first of the regular meetings that took place throughout the contract, even before work started:

“There have however been many changes to the scope and MFL commits to provide an updated price with justifications on why and where the price has change for DB and CA to consider by

Wednesday 10 April 2019. A revised letter of instruction will be issued once the amount has been agreed.”⁷⁷

- (2) The minutes for the 3rd meeting, held on 29 April 2019, record that MFL had been instructed to come back after revisiting sub-contractor quotes and indicating in more detail where the escalation in price comes from.
 - (3) The first mention of a Variation Order is in the minutes for the 5th meeting on 27 May 2019 and, from the 7th meeting on 24 June 2019 on, there is a recurring item in the minutes about a Variation Order to be provided by MFL/RSK.
 - (4) The minutes of the 16th meeting held on 28 October 2019 do record that a price for the external works had been provided before approval was given to start those works. (This still does not explain why the budget for the project had already been increased between August 2019 and September 2019.)
- 3.58 FIG’s Project Manager was asked about the controls in place in relation to Variation Orders and he did provide reassurance that costs were monitored throughout. He said that the final Variation Orders had been agreed from emails and from spreadsheets that had been kept separately during the work.⁷⁸ (It is not clear that this information was readily accessible on the project management system that was being used.)
- 3.59 FIG’s Project Manager was also able to explain an entry for £22,638 that appeared in the April 2020 spreadsheet: this related to an allocation across various projects of the cost of keeping RSK workers employed on other work during the Covid-19 lockdown in early 2020.

The progress of the build

- 3.60 As noted above, the 2018 ExCo paper approving the issue of the Letter of Instruction contained a warning that the delivery of the project would be reliant on the availability of resources and that additional resources might have to be brought in from overseas.⁷⁹
- 3.61 That is exactly what happened and, contrary to what had been predicted in 2018, there turned out not be sufficient contingency in the budget to cover the increase in cost.
- 3.62 To some extent, that was because of the way in which risk is allocated under the Partnership Agreement with MFL/RSK, in which increased costs (plus 10%) flow through to FIG. That is not something specific to this contract and raises issues that go much wider than the scope of this review. (It is recognised that risk has

⁷⁷ Minutes of 1st meeting, held on 1 April 2019

⁷⁸ This reassurance was given by FIG’s Project Manager during an informal meeting on 16 November 2021.

⁷⁹ ExCo paper 155/18 – Background Paper 4.11, para 6.3

to be allocated in some way and that the alternative to cost-plus pricing would be for risk to be priced into original quotations, which might provide greater certainty but would also involve increased cost.)

3.63 Delays started almost as soon as work did:

- (1) When work started on 8 April 2019, the construction programme was due to last 26 weeks and the projected completion date was 4 October 2019.⁸⁰
- (2) Just two weeks later, the projected completion date had already been changed to 27 October 2019.⁸¹
- (3) Another week later, it had become the end of November 2019.⁸²
- (4) By the 6th meeting, held on 10 June 2019 (2 months into the build), it was being reported that work was 8 days behind schedule.
- (5) A month later, the minutes of the 8th meeting, held on 8 July 2019, record that there was by then a projected delay of 23 days and that a revised programme of work was being discussed.
- (6) According to a post meeting note dated 9 July 2019, MFL had been requested to reconsider/review programme resources and sequencing in order to bring the programme back to completion (or partial completion, sufficient for library handover) by the Christmas holiday.
- (7) By the next meeting (the 9th meeting, held on 22 July 2019), a new program had been submitted with a new completion date of mid-January.
- (8) The minutes of the next meeting (the 10th, held on 5 August 2019) contain the first reference to additional workers being recruited from the UK and South Africa.
- (9) Offers were made to 8 new workers and 6 of them came to work on the project: one arrived from the UK on 30 September 2019 and 5 arrived from South Africa on 5 October 2019.⁸³

3.64 There was still some slippage even with the revised work plan:

- (1) By 28 October 2019, work was about 2 weeks behind schedule again with a completion date being projected for mid-January. However, the library

⁸⁰ Clerk of Works report, 12 April 2019

⁸¹ Clerk of Works report, 26 April 2019

⁸² Clerk of Works report, 3 May 2019

⁸³ Minutes of the 14th meeting, held on 30 September 2019, and Clerk of Works report, 11 October 2019

decant was still foreseen at this stage as being achievable by mid-December.⁸⁴

(2) Neither of those was achieved and, by 13 January 2020, work was about 4 weeks behind schedule with most of the work expected to be complete by mid-February with final mechanical commissioning mid-March – the heating and ventilation engineer had not been available for some weeks.⁸⁵

3.65 It was possible for the Library to start moving into the new building during January 2020 and this had been completed by 27 January 2020.⁸⁶

3.66 The building was substantially complete by the end March 2020, just in time for the start of the Covid-19 shutdown on 27 March 2020.⁸⁷

3.67 In his 12 July 2019 report, the Clerk of Works said about the 23 day delay being reported at that stage:

“Cold weather is a contributory but not exclusive cause.”

3.68 Resource constraints were clearly a problem. However, that can hardly have been unique to this project: it is something that affects other projects and it will continue to be an issue that needs to be borne in mind, particularly in relation to the sizeable projects being planned.

3.69 It is also worth pointing out that, even after suitable workers had been recruited, offers could not be made to them until accommodation was found for them.⁸⁸ Moreover, not just the cost of the additional labour but also the costs of recruitment, travel and accommodation flowed through to FIG under the Partnership Agreement.⁸⁹

3.70 The fact that these issues were being resolved well into the contract suggests that work and resource planning may not have been entirely realistic at the quotation stage.

3.71 Even before more recent supply chain difficulties, there were also some issues with materials shortages during the projects – for example:

(1) There was an issue in relation to the bolts needed to fix the roof trusses.⁹⁰

(2) There was too little underfloor heating and more had to be ordered.⁹¹

⁸⁴ Minutes of the 16th meeting, held on 28 October 2019

⁸⁵ Minutes of the 20th meeting, held on 13 January 2020

⁸⁶ Minutes of the 20th meeting, held on 13 January 2020, and the 21st meeting, held on 27 January 2020

⁸⁷ Clerk of Works Report, 5 June 2020

⁸⁸ Minutes of the 11th meeting, held on 19 August 2019, and the 12th meeting, held on 2 September 2019

⁸⁹ Variation Orders 30 and 40

⁹⁰ Minutes of the 12th meeting, held on 2 September 2019

⁹¹ Minutes of the 16th meeting, held on 28 October 2019

(3) Scotframe did not supply enough external cladding with the kit nor was there enough available locally to make good the shortage – more cladding had to be ordered from the UK and this caused some delay.⁹²

(4) No cable trays had been ordered and an alternative solution had to be improvised.⁹³

Issues during the build

3.72 Some issues did arise during the course of the build – that is inevitable during any build. What follows is not intended to be a litany of complaints, but to focus on key issues from which lessons might be learned.

3.73 The most serious of the issues that arose related to the flooring and led to the issue of a Non-Conformance Notice on 2 December 2019:

(1) There had already been an issue from the start of the build about the underfloor heating – it was identified early the type of heating that had been ordered would present “a height and installation problem”.⁹⁴ Following email correspondence between MFL and the supplier, it turned out that it could not be installed between joists and an alternative floor design had to be used instead.⁹⁵

(2) It emerged later that there was a difference in level between the areas where the original joisted design was still being used and the areas where the alternative “timber sandwich” design was being used instead.⁹⁶

(3) On 3 December 2019, the Clerk of Works alerted FIG’s Contracts Engineer to the fact that there was a load of plywood in two rooms and that he had been told by the carpenters that they were using it to raise the height of the chipboard floors by 12mm to meet the threshold of the concrete floor, which was too high. He identified that this involved a cost and also that there might be a difference between the finished floor level of the corridor and the rooms.⁹⁷

(4) Also on 3 December 2019, FIG’s Contracts Engineer issued a Non-Conformance Notice instructing MFL/RSK to stop laying the plywood:⁹⁸

⁹² Minutes of the 17th meeting, held on 11 November 2019, and the 18th meeting, held on 25 November 2019

⁹³ Minutes of the 18th meeting, held on 26 November 2019

⁹⁴ Minutes of the 2nd meeting, held on 15 April 2019

⁹⁵ Minutes of the 11th meeting held on 19 August 2019

⁹⁶ Clerk of Works report, 4 October 2019 and email dated 4 December 2019 (appended to Clerk of Works report, 6 December 2019)

⁹⁷ Email dated 3 December 2019 (appended to Clerk of Works report, 6 December 2019)

⁹⁸ Email dated 3 December 2019 (appended to Clerk of Works report, 6 December 2019)

- He said that MFL/RSK had been asked “very specifically, repeatedly and several weeks ago” to check floor datums and advise if any adjustment to floor levels had been needed.
- The notice stated that the plywood was being laid “without advice, authority or instruction” and that there were more economic solutions (such as grading doorways and packing out skirting) that could have been adopted instead.

(5) FIG’s Contracts Engineer followed up this up the following day with an email to the Clerk of Works and an MFL/RSK manager:⁹⁹

- In that email, he described the quality control of floor levels described as “a little remiss”.
- He said that it could not be evidenced that normal checks had been carried out and that the finished floor level reflected the inaccuracies in sub floor construction.
- He noted that it had been agreed that MFL/RSK would have to continue raising some floor levels, but that FIG would also have to accept some unforeseen changes in floor level.

(6) In the same email, FIG’s Contracts Engineer identified lessons learned from the incident:

- Need to carry out normal checks to levels before completing to finished floor level
- Need to maintain dialogue before making changes
- Need to tighten up checks during construction

(7) The costs of this were due to be resolved separately. However, although FIG’s Contracts Engineer made clear his view that FIG would not pay for these, it is not clear how the issue was finally resolved.¹⁰⁰

(8) Separately, cracks were later found in some of the floor screed laid in the corridor (in spite of a more flexible screed having been used) – the bad section had to be removed and redone.¹⁰¹

3.74 A solution had to be identified at an early stage of laying the foundations of the building to deal with a problem about the depth of the rock: this seems to have been done relatively quickly and trench fill aggregate was used instead of compacted aggregate.¹⁰²

⁹⁹ Email dated 4 December 2019 (appended to Clerk of Works report, 6 December 2019)

¹⁰⁰ Emails dated 3 and 4 December 2019 (appended to Clerk of Works report, 6 December 2019)

¹⁰¹ Minutes of the 21st meeting, held on 27 January 2020, and Clerk of Works report, 31 January 2020

¹⁰² Clerk of Works report, 3 May 2019

Earlier in the process, FIG's then Project Manager said this in a project management Highlight Report:

*"Unknown geotechnical conditions, 1.2m depth for foundation works has been assumed. No irreparable damages will occur during ship.
It's difficult to design a foundation without a geotechnical report."*¹⁰³

3.75 There were also some other issues worth noting:

- (1) There was an issue early on relating to concrete sample cubes not meeting the specifications for testing.¹⁰⁴ That was resolved but there was subsequently an issue with concrete cubes failing tests and the base of the Library spine wall having to be removed and recast.¹⁰⁵
- (2) There was a minor incident in which underground utilities were damaged during digging and had to be repaired – an investigation was carried out.¹⁰⁶ There was also another incident in which cables were found but could not be identified.

Health and safety during the build

3.76 Health and safety issues are included within the PAC's remit, even if only because they fall within the management of financial risk.¹⁰⁷

3.77 The most serious incident during the build was one in which a construction worker fell from scaffolding on site:

- (1) The individual involved had to be medevaced to Santiago the following day after the incident.¹⁰⁸
- (2) Fortunately, it was later reported that the individual concerned was expected to make a full recovery following surgery on shoulder injury.¹⁰⁹
- (3) It is worth noting that scaffolding training had been provided prior to the incident.¹¹⁰ However, it is not clear whether or not the individual involved had undertaken that training.

¹⁰³ Highlight Report, 15 November 2018

¹⁰⁴ Clerk of Works report, 21 June 2019

¹⁰⁵ Clerk of Works report, 26 July 2019, and minutes of the 10th meeting, held on 5 August 2019

¹⁰⁶ Clerk of Works report, 7 August 2019 and minutes of the 11th meeting, held on 19 August 2019

¹⁰⁷ Section 11(3)(b) of the Public Accounts Committee Ordinance

¹⁰⁸ Minutes of the 13th meeting, held on 16 September 2019 and Clerk of Works report, 20 September 2019

¹⁰⁹ Clerk of Works report, 20 September 2019

¹¹⁰ Minutes of the 4th meeting, held on 13 May 2019

(4) It is also worth noting that a request had been made the previous month for an additional cross brace for scaffolding on site.¹¹¹ However, again, it is not clear whether or not this was relevant to the later incident.

(5) An incident report was produced, but this has not been seen. It was not included within the information that was provided from the project management software, which may be a shortcoming either of the software or how it is used.

3.78 Some other less serious incidents were recorded:

(1) There was a concrete splash into the eye of a worker who was casting concrete. Fortunately, it was reported that it was not serious and after the splash had been cleaned, the individual involved was able to continue with work.¹¹²

(2) The site was closed for half a day while an un-exploded munition that had been found was removed.¹¹³

(3) During a site inspection, two workers cutting concrete were found not to be wearing their safety gloves.¹¹⁴

(4) Crane operators moving the 40ft container of timber for the building frame expressed concern that they had not been given the right information about the load.¹¹⁵

3.79 As well as the scaffolding training referred to above, other health and safety training was undertaken by workers during the project.¹¹⁶ Weekly “toolbox meetings” were also held.¹¹⁷

¹¹¹ Clerk of Works report, 9 August 2019

¹¹² Minutes of the 5th meeting, held on 27 May 2019

¹¹³ Minutes of the 4th meeting, held on 13 May 2019

¹¹⁴ Clerk of Works report, 31 July 2019

¹¹⁵ Clerk of Works report, 21 June 2019

¹¹⁶ Clerk of Works report, 28 June 2019 and minutes of the 4th meeting, held on 13 May 2019, and the 8th meeting, held on 8 July 2019

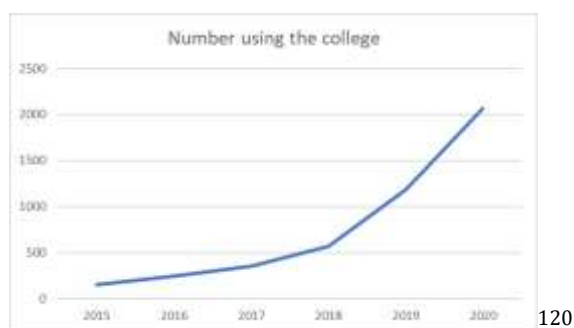
¹¹⁷ Clerk of Works report, 12 April 2019

The finished building



Falkland College and the Christie Community Library

- 3.80 When an application for planning for the Falkland College/Library building was considered by Planning and Building Committee in September 2018, one member of the committee uncharitably expressed *“disappointment at the dullness of the design”*.
- 3.81 A more positive image of the Falkland College/Library building (based on function rather than form) is portrayed in the Education Department Annual Report 19/20¹¹⁸, in a presentation given at a meeting of the Education Board on 25 February 2021¹¹⁹ and in the Director’s Open Report to the Education Board meeting on 6 December 2021: these describe an increased range of activities and participation at both the College and the Library in their new home.
- 3.82 Between 2015 and 2020, there had been an increase from approximately 250 Training Centre users to over 2000 Falkland College users:



- 3.83 It is inevitably difficult to quantify all of the outputs or the outcomes from the project and to separate the effect of the new building from its wider context.

¹¹⁸ See Appendix 5 for the relevant section of the report.

¹¹⁹ See Appendix 6 for the relevant extract from the open minutes of the meeting.

¹²⁰ Taken from a Powerpoint slide for the presentation given by the College Development Manager at a meeting of the Education Board on 25 February 2021

However, even if the new building does not, on its own, explain the increased use of the College, it seems fair to assume that:

- the increased use justifies the need for the new building – indeed this may turn out to be a better justification than the one originally put forward;
- the new building supports the expanded use and role of the College; and
- subject to future proofing, the new building will support further expansion.

3.84 The expanded role of Falkland College is illustrated by these two slides taken from the presentation given on 22 February 2021:

Falkland College Roles 2015

- Employment programme
- Apprenticeship Programme (8 students capped)
- City & Guild NVQ courses level 1-5
- Examinations
- Online courses (Highspeed)

Falkland College Roles 2020

- Careers Education and Guidance
- Employment programme
 - Enablement Programme
 - Employment Programme
 - Shield Programme
- Apprenticeship Programme
- Highfield – Taught courses
 - First Aid
 - Conflict Management
 - Health & Safety
 - Customer Service
 - Education & Training Level 3 & Level 4
 - Management Level 3
- City & Guild NVQ courses level 1-5
- Driving examination & driving theory testing
- Public Library
- Examinations
- Online courses (Highspeed, Marlin, ACCA, AAT)
- GCSE & A Level online and taught
- Evening class programme
- Bespoke training requests
 - FIA
 - Middle Manager
 - Agricultural Apprenticeships
 - Prince 2
 - World Host

3.85 City & Guilds have been undertaking a remote inspection of course content and delivery. The outcome of that review was due to be released in February 2022.¹²¹

3.86 There has also been a very significant increase in Library footfall, which, by July 2020, had already increased from 120 visits per month (before the move from FICS to the new building) to 520 visits per month.¹²² That increase has been sustained and, by the end of 2021, there were about 900 visits per month.¹²³

3.87 As well as academic and vocational qualifications, the College offers a range of evening classes and some insight into this was given in a written report for the Education Board meeting on 5 August 2021 (answering a question arising from the presentation given at the previous meeting):

- The total revenue from evening classes had been £4,576.
- An Excel course had made a small profit of £244.16.
- It had originally been suggested and hoped that an English course attended by 31 people could be run for free, but a charge of £55 per head had to be

¹²¹ Director's Open Report for the Education Board meeting on 7 February 2022

¹²² Presentation given by the College Development Manager at a meeting of the Education Board on 25 February 2021

¹²³ Director's Open Report for the Education Board meeting on 6 December 2021

made instead – the actual cost of the course was £175 per head and the course was subsidised by £120 per head.

- Some courses were being run on the basis that the revenue received goes straight to those running the course and some other courses were being run for free as skills had been offered free of charge.

3.88 More recently, there had been enough interest to run two Spanish language courses, but not enough interest in a French course and no applications at all for a course in English as a second language.¹²⁴

3.89 MLA Leona Roberts expressed the view at the Education Board meeting on 7 February 2022 that English courses should be free of charge. The Director of Education indicated at the time that she was happy to move this forward and free English courses are now being provided by Falkland College.

3.90 The running costs of the Falkland College/Library building have proved to be considerably more than had been budgeted and problems have been experienced with the heating and ventilation system:

(1) One of the justifications for opting for a new build rather than simply refurbishing the existing workshop was that running costs would be lower.

(2) The existing workshop was heated by electric heaters, costing about £9,000 per year.

(3) There were proposals to install renewables-based heating in the new building. However, in the end, a combination of underfloor heating and forced air heating and ventilation was installed.

(4) There have been complaints about both the comfort level of the building:

- The building is too hot in some places and too cold in others.
- There are draughts from forced air vents.
- The system is noisy and affects hearing aid users particularly badly.

(5) Even allowing for the increased size of the new building, the estimated electricity consumption of £23,500 is much higher than had been expected (or budgeted for).¹²⁵

¹²⁴ Director's Open Report for the Education Board meeting on 7 February 2022

¹²⁵ Based on an email from the College Development Manager dated 12 May 2021 and comments made during her informal meeting in September 2021

- (6) FIG's Project Manager was asked about these issues during an informal meeting in November 2021 and suggested that the system may not be properly understood by those using it.
- 3.91 The most significant of the snagging issues with the new building has been the electric sliding doors – this has been an ongoing issue and it is unclear whether or not it has been resolved, nearly 2 years after the building was handed over to Education Department.
- (1) There has been a problem with the doors not opening and closing in certain weather conditions. (The Director's Open Report for the Education Board meeting on 7 February 2022 still contains the entry: "*Main doors are working, but not in a southerly wind.*")
- (2) It is unclear whether this is because of faulty sensors or because the doors were not being operated properly.
- (3) There has been a suggestion that the doors were not suitable for external use and were intended for use inside a porch – it has not been possible to determine from the information available whether this is correct and, if so, whether the doors were wrongly specified or did not meet the specification.
- (4) It appears that responsibility for the issue has now passed from MFL/RSK to PWD.
- (5) There is conflicting information about whether it is planned to add a porch or shelter to the building. It appears that this solution has been considered in the past, but that, while it is not currently being considered, it may be looked at again in the future.
- (6) It is not known whether the new doors being installed at Stanley Airport are the same type as the ones that were installed in the Falkland College/Library building.
- 3.92 As an aside, it is worth mentioning that, in relation to both the heating and ventilation system and the electric sliding doors, FIG's Contract Manager made comments that lessons had been learned about local weather conditions. If nothing else, this emphasises the need to make sure that local knowledge is taken into account as well as technical expertise, even if that has to be brought in from outside.
- 3.93 Concerns have been expressed in some quarters about the layout of the building, in particular about too much of the available space being allocated to the reception and not enough to private office or meeting room space for the confidential issues dealt with at the College.

- 3.94 If demand at the College continues to increase, there appears to be limited scope for expansion within the existing building. It may be possible (at unknown cost) to rearrange the space internally, but there are limits to the extent to which expansion into the roof space could be achieved:
- (1) Passive provision was made for the possibility of expanding into the roof space: there is a cupboard could be converted into a stairwell.
 - (2) However, the pitch of the roof is relatively shallow, which limits the width of the potentially usable space within the roof.
 - (3) The roof space also contains the plant and ducting for the forced air heating and ventilation system, which limits the potentially usable space still further.
 - (4) Although the roof space has been boarded, the College Development Manager has stated that she was told that it can only be used for maintenance access and cannot be used for storage.
- 3.95 At an informal meeting for this review that took place in November 2020, the Director of Education expressed concerns about the relationship with PWD at that time. In particular, she suggested that relationship was not like one between a contractor and a client. This was echoed by comments made by the College Development Manager at that meeting and on other occasions.
- 3.96 However, it is worth noting that, during the open section of the Education Board meeting on 7 February 2022, the Director of Education said that there is a "constructive relationship" with PWD in relation to work on the Education Estate.¹²⁶

¹²⁶ This is not recorded in the minutes of that meeting.

Comparison with other FIG projects

Swimming Pool (PAC report – April 2019)

- 4.1 In April 2019, the PAC adopted a report on the Swimming Pool project, in which it made 12 recommendations.
- 4.2 Three of those had been addressed by FIG, including the installation of the Project in a Box project management software across FIG. However, the remaining recommendations remained a concern to the PAC and, in a letter to the Legislative Assembly dated 2 July 2019, the PAC requested a response from FIG.
- 4.3 FIG's response was set out in ExCo paper 03/20.¹²⁷ That was approved at an ExCo meeting on 29 January 2020 and submitted to the Legislative Assembly sitting on 27 February 2020.
- 4.4 Whilst approval for the Falkland College/Library project had been given before the PAC made its recommendations on the Swimming Pool project, those recommendations had been made before approval was given for the Letter of Instruction to be issued and before the construction phase of the project.
- 4.5 Not all of the recommendations made in the Swimming Pool report are relevant to the Falkland College/Library project. Nor had all of the relevant recommendations been made by the time key decisions had already been taken.
- 4.6 However, some of the recommendations are relevant and it must be a matter of concern that some (though by no means all) of the same issues have arisen again in relation to another FIG project
- 4.7 Looking in order at each of the recommendations made in the April 2019 report:

PAC Recommendation 1

"That FIG ensures all key decision makers and those with delegated authority follow Financial Instructions and must adhere to the relevant authority and practice in respect of project variations "

There is no evidence that the Financial Instructions have not been followed or that money has been spent without legal authority in relation to the Falkland College/Library building and associated works. (The budget for the project was increased with ExCo approval on at least three occasions.)

¹²⁷ The relevant extracts from ExCo paper 03/20, setting out the recommendations and FIG's responses, can be found at Appendix 7.

Reassurance did have to be sought in this review about the timing of variation orders issued towards the end of construction – however, that is more relevant to Recommendation 4.

PAC Recommendation 2

“Due tender processes be followed throughout the life of the project including where separable work is created”

The design of the building appears to have been carried out in-house and construction was carried out by MFL/RSK under the long-standing Framework Agreement, following an estimate provided by MFL.

It does not appear that other estimates were sought for the work. However, there is no suggestion that it was in any way inappropriate for the work to be carried out under the Framework Agreement.

PAC Recommendation 3

“In light of the significant capital projects FIG has planned, better project management is put in place, particularly during the planning stage, which should decide the goals of the project and responsibilities of the key parties”

In its response to the Swimming Pool report, FIG said:

“FIG has already invested significant resources in recruiting professional project managers, strengthening the Programme, Procurement & Contract Management Departments, installation of project management software across FIG (Project in a Box), implemented a training programme and introduced governance structures for all capital projects through Project Boards and commissioning the Professional Services Framework Agreement with Ramboll and Turner & Townsend which establishes a clear pathway of project definition, scope and delivery from RIBA Work Stages 1 to 7 including project & cost management services.”

The Project in a Box software was used during the construction phase of the Falkland College/Library project.

The suggestion made in March 2021 by the Director of Public Works that it would be too time consuming to provide the PAC with the documents stored/saved to Project in a Box was not borne out by the subsequent provision of the information.

However, it is not clear whether or not all of the information relating to the construction phase was recorded using the software – for example, FIG’s Project

Manager describes having monitored costs during the contract using spreadsheets that were not provided to the PAC from Project in a Box.

The need to decide the goals of a project during the planning stage is something that has to be learned from the Falkland College/Library project as well as from the Swimming Pool project.

PAC Recommendation 4

“There is better contractor management and supervision on all FIG projects, specifically that FIG ensures that all work is properly checked before sign off and that sign off is by a suitably qualified FIG representative”

To at least some extent, this does seem to have happened during the construction phase of the Falkland College/Library project.

The outcome of the issue in relation to floor levels is not known, but it is positive that the issue was picked up and dealt with.

On the other hand, the issues with the electric entrance doors had still not been resolved by the time FIG became responsible for the building.

PAC Recommendation 5

“Better communication and clearer responsibilities between FIG and the contractor”

Again, to at least some extent, this does seem to have happened during the construction phase of the Falkland College/Library project.

The work was supervised by a Clerk of Works who produced regular reports. There were also regular meetings between PWD and MFL/RSK.

Having said that, there is conflicting evidence about the level of communication in relation to the cost of the project: although reassurance has been given that costs were being monitored, it remains that requests for variation orders were made for some months before they were issued towards the end of the contract.

PAC Recommendation 6

“Better communication and clearer responsibilities between and within FIG departments, particularly where projects fall across more than one Directorate”

Both the Director of Education and the College Development Manager expressed concerns about the relationship with PWD during the Falkland College/Library project.

However, more recently (and more encouragingly), the Director of Education has said that there is a "constructive relationship" with PWD in relation to work on the Education Estate.

PAC Recommendation 7

"PAC recommends that key FIG staff are not taken off projects without proper handover"

This does not appear to have been an issue in relation to the Falkland College/Library project.

However, it is worth noting that concerns were expressed in the past about continuity between Directors of Education and it may be that this contributed to the absence of clear vision from the Falkland College/Library project.

PAC Recommendation 8

"In order to achieve best value for money for a project whole life costings must be considered and evaluated for projects when considering options and tenders"

In its response to the Swimming Pool report, FIG said:

"This is usually undertaken during the project evaluation and appraisal stage where appropriate."

However, it is far from clear that whole life costings were properly considered and evaluated in relation to the Falkland College/Library project.

It was asserted that a new building would be cheaper to run than a refurbished workshop, but running costs have turned out to be more expensive than expected.

It also appears that the expected life of the new building is not known in any meaningful way.

PAC Recommendation 9

"To achieve whole life value for money, adequate budget must be made available to carry out routine maintenance rather than letting an asset get to a 'critical state'"

In its response to the Swimming Pool report, FIG said:

"This is normally evaluated at the project evaluation stage for significant large infrastructure projects and then factored into a business case for Executive Council and Standing Finance Committee."

This does not appear to have happened for the Falkland College/Library project.

FIG also said:

“Individual FIG directorates assess their routine repair and maintenance requirements during annual budget rounds.”

It will be important that this is done to ensure that the significant investment in the new building is safeguarded for the future.

It will also be important that sufficient operating budget and other resources are provided in order to make the most effective use of the facility.

PAC Recommendation 10

“That FIG has a robust system in place to ensure that when an employee’s capability or behaviour is questioned, a thorough HR investigation is carried out and is documented”

There is no reason to believe that this recommendation is relevant to the Falkland College/Library project.

PAC Recommendation 11

“In cases where capability or behaviour is found wanting, FIG does not reward poor performance”

Again, there is no reason to believe that this recommendation is relevant to the Falkland College/Library project.

PAC Recommendation 12

“A further study and assessment is undertaken on the state of the pool to fully understand the challenges it faces, how long it is likely to last and if anything can be done to prolong its life”

To some extent, this recommendation was specific to the Swimming Pool project.

However, it may be that further study and assessment still needs to be carried out in relation to the need for workshop facilities at Falkland College and the way in which that need might best be met. (It is worth reiterating that providing workshop facilities was the original purpose for which funding was allocated by ExCo.)

Fisheries Building (PAC report in preparation)

4.8 A PAC report is currently being prepared on the Fisheries Building project and, although that has not been adopted formally at the time of writing, it seems clear that there are key issues that apply to that project as well as to the Falkland College/Library project.

4.9 The PAC report on the Fisheries Building project contains the following paragraph:

*"Realistic Cost estimates The PAC found that the realistic cost estimate was not identified at an early stage. Further, future proofing during the initial build to enable whole life costings were not established. The anticipated use and life of the building was not clear at the outset."*¹²⁸

4.10 In other words, the Falkland College/Library project shows that lessons do not appear to have been learned since 2010-12 (when the Fisheries Building project was undertaken) about the need for clear project vision, realistic cost estimates, future proofing and whole life costing.

4.11 The Fisheries Building report also states that:

*"the effectiveness of budgetary spend on significant projects needs to be measured against adopted policy objectives."*¹²⁹

4.12 It goes on to say that there should be:

*"a measurable matrix with a projection of what the manufacturer says the environmental savings should be against an annual record of the actual energy use."*¹³⁰

4.13 These statements are also relevant to the Falkland College/Library project because the running costs of the new building (£23,500 per year) have been considerably higher than predicted or budgeted for, which suggests that neither environmental nor financial objectives have been met in that regard.

¹²⁸ Final report on the PAC's Review of the Fisheries Building Project, para 5.4

¹²⁹ para 5.5

¹³⁰ para 5.5

How the review was carried out

- 5.1 At the start of 2020, the PAC requested expressions of interest for assistance with the work of the PAC on a consultancy basis. Progress was delayed by Covid-19 restrictions in the first half of the year, but meetings took place at the end of July 2020 to discuss the allocation of work to those who had expressed interest.
- 5.2 The review of the Falkland College project notionally started on 1 September 2020.
- 5.3 However, although an initial contract for work to be carried out during the 2020/1 financial year was not concluded until 18 September 2020, preparatory work for the review had been carried out during August and September 2020 (including preliminary research, which identified some of the relevant ExCo papers and other relevant information, and formulating draft Terms of Reference).
- 5.4 A comprehensive request for information was sent to the Directors of Education and Public Works on 29 September 2020¹³¹ and the Terms of Reference for the review¹³² were formally adopted by the PAC at its meeting the following day.
- 5.5 The initial difficulties in obtaining information were described in some detail in a Draft Interim Report that was published at a meeting of the PAC that took place on 29 April 2021.
- 5.6 Soon after the publication of the Draft Interim Report and the intervention of the then newly arrived Chief Executive, the Project in a Box record for the project was provided. (This would appear to allay the concerns that it is as difficult to extract information from Project in a Box as had been suggested, but it may instead revive an unattractive alternative concern that was expressed in the Draft Interim Report.)
- 5.7 A follow up request for information about the ongoing snagging issues and the first year's running costs of the new building had been made and, again following the publication of the Draft Interim Report and the intervention of the then newly arrived Chief Executive, some further information was forthcoming.
- 5.8 Similarly, the relevant ExCo papers were finally provided shortly after the publication of the Draft Interim Report.

¹³¹ The request for information is set out in full at Appendix 2.

¹³² The Terms of Reference are set out in full at Appendix 1.

- 5.9 Not all of the information that had been requested was ever provided, however. Information that was not forthcoming included:
- relevant Standing Finance Committee papers and minutes
 - relevant extracts from the closed minutes of Education Board meetings
 - relevant Corporate Management Team papers
- 5.10 A considerable amount of information was gathered by trawling through publicly available agenda papers and minutes and additional information was obtained by attending the open sections of some Education Board meetings.
- 5.11 Although no formal hearings were held in relation to this review, information was gathered at a number of informal meetings – these took place at various stages during the review with:
- the Director of Education
 - the College Development Manager (who also provided a tour of the building)
 - the PWD Project Manager
 - two individuals who were willing to provide background information in private
- 5.12 Information was also provided informally and privately by a third individual.
- 5.13 Contact was made with two former Directors of Education to find out if they would be willing to provide information to the review:
- one declined the opportunity
 - the other did not respond at all
- 5.14 There were discussions on update documents and partial drafts of this report during the closed sections of PAC meetings during the review.

Key findings

- 6.1 The key findings from the evidence that has been made available and identified during the course of the review are presented here in relation to the headings of the Terms of Reference.

Has the project been future proofed? If so, what is its intended life and is it designed for expansion if needed in the future to cope with increased demand?

- 6.2 It has not been possible to establish the intended life of the building or its whole life cost.
- 6.3 It is difficult to say that the building has been future proofed in any meaningful way: the scope for expansion into the roof space is limited, but it may be possible to rearrange the internal space. Any expansion is likely to involve having to extend the building or add another one or more new buildings.

Was it value for money?

(ie Was the right amount of money spent in the best possible way?)

- 6.4 6 years on from the first ExCo paper for the project, its original purpose has still not yet been fulfilled.
- 6.5 Although a new facility has been provided and it seems to be both well used and valued, the cost of the project considerably exceeded the original budget and the scope of the project changed very considerably during its life.
- 6.6 It may be that, in the light of subsequent developments, the best possible way of spending money might not have been on refurbishing the workshop. However, the lack of clarity in the vision for the project makes it very difficult to judge whether the right of money was spent or whether it was spent in the right way.

Did the plans have to be changed from original expectation in order to accommodate the library or was that factored in from day 1?

- 6.7 It is clear that the expectations for the project changed very considerably from the first proposals put forward in late 2015 and considered by ExCo in January 2016.
- 6.8 The change of plans to accommodate the Library within the new building were not finalised until 2018. However, the need for new accommodation for FICS had first been identified as early as 2014 and proposals to co-locate the library with the Training Centre/College were made in 2016 and 2017. It is still not clear why opportunities to make the decision sooner were not taken, but it is difficult to quantify any additional costs from the delay.

- 6.9 The absence of a clear vision is particularly relevant to assessing effectiveness of the project. The objectives were revised at least three times in papers presented to Executive Council. This report does not question that ExCo should revise objectives. However, the surprising number of changes presented to ExCo and lack of clarity in defining objectives resulted in increased risk to the project and resulted in poor financial efficiency and effectiveness.

Does the finished building fit the needs for training and is it physically fit for purpose?

(eg Do electric doors work in the wind? Is there a separate multisex disabled toilet? Does the car park flood)

- 6.10 A number of issues and compromises did arise during the building work and some snagging issues did have to be resolved.
- 6.11 One outstanding issue appears to be that the electric sliding doors do not work properly in a southerly wind. There appears to be no agreement about whether the wrong doors were ordered or whether they have been wrongly operated. It has been suggested that wind conditions in the Islands may not have been fully appreciated by everyone involved in the project.
- 6.12 Concerns have been expressed about the use of space within the building.

Have lessons have been learned from previous FIG projects?

- 6.13 There is no evidence (and, indeed, no basis for suggesting) that some of the irregularities identified in the PAC's report on the Swimming Pool project were repeated in relation to the Falkland College project – the work was properly allocated to MFL/RSK under the framework agreement with the appropriate Letter of Instruction was put into place.
- 6.14 Not all of the variation orders issued during the construction period were entirely informative. Reassurance has, however, been given that, although variation orders were not issued until the end of the building work, costs had been monitored throughout.
- 6.15 Project management software (Project in a Box) is now being used by FIG to manage projects. However, it is not clear that all of the information relating to the project was available from Project in a Box and it may be that not all information is being recorded using that software.
- 6.16 There do appear to be common themes between the Falkland College/Library project and other FIG projects (such as the Swimming Pool and the Fisheries Building, which have been or are being looked into by the PAC)

Have (to the extent possible, bearing in mind timing) recommendations made by the PAC been put into practice?

6.17 The PAC made 12 recommendations in its 2019 report on the Swimming Pool project. Not all of these were relevant to the Falkland College/Library project, but some were:

- Recommendation 3 (project management and planning) had partly been put into practice with the adoption of Project in a Box project management software. However, it appears that there may still be issues about its use.

More importantly, however, the need for FIG to decide the goals of its projects during the planning stage is a lesson that still apparently has to be learned.

- Recommendation 4 (contractor management and supervision) does seem to have been followed, to at least some extent, during the construction phase of the Falkland College/Library project.
- Recommendation 5 (about communication and responsibilities between FIG and contractors) also seems have been followed, to at least some extent, during the construction phase of the Falkland College/Library project.

However, there is conflicting evidence about the level of communication in relation to the cost of the project, even if reassurance has been given that costs were being monitored.

- Recommendation 8 (about whole life costings) does not appear to have been followed for the Falkland College/Library project.
- Recommendation 9 (about adequate budget for routine maintenance) does not appear to have been followed for the Falkland College/Library project.
- Recommendation 12 (about further study and assessment of the state of the pool) was specific to the Swimming Pool project, but there may be a related need for further study and assessment in relation to the need for workshop facilities at Falkland College.

Are there any positive recommendations that can be made about good practice to be followed in future FIG projects?

6.18 It is still difficult to quantify with certainty some of the outcomes of the project – however, there are encouraging signs that the new facility is valued.

6.19 The most important lessons to be learned from the Falkland College/Library project would appear to be as follows:

- (1) There needs to be a clear vision for a project, so that it can be planned in advance to reduce delay and cost and also so that its outcomes can be measured afterwards. (This should also include an appropriate element of future proofing, so that expansion and adaptation are not made unnecessarily difficult or expensive.)
- (2) Cost estimates need to be more realistic and the risk of “optimism bias” (which appears to be a recurring issue in FIG projects) needs to be recognised and addressed.
- (3) More attention needs to be focused on the whole life cost of projects, including not just their initial capital costs. Consideration also needs to be given to the possibility of using renewables more effectively in projects.
- (4) Consideration needs to be given to the allocation and management of risk in construction contracts. (This does not necessarily mean agreeing fixed price contracts in all cases, but budgets and timescales should at least include appropriate levels of contingency – for this project, those were starkly inadequate.)
- (5) Resource constraints (such as the availability in the Islands of suitable workforce and materials) need either to be addressed to minimise their impact on the time and cost of projects or, at the very least, to be recognised to allow timescales and budgets to be more realistic.
- (6) There needs to be a way to ensure that the local context of a project is taken into account and that appropriate use is made of local knowledge, even when specialist expertise or outside resources have to be brought in.

Appendix 1

Terms of Reference for the review of the Falkland College project

The following Terms of Reference for the review were formally adopted by the PAC at its meeting on 30 September 2020:

- Has the project been future proofed? If so, what is its intended life and is it designed for expansion if needed in the future to cope with increased demand?
- Was it value for money?
(ie Was the right amount of money spent in the best possible way?)
- Did the plans have to be changed from original expectation in order to accommodate the library or was that factored in from day 1?
- Does the finished building fit the needs for training and is it physically fit for purpose?
(eg Do electric doors work in the wind? Is there a separate multisex disabled toilet? Does the car park flood)
- Have lessons have been learned from previous FIG projects?
- Have (to the extent possible, bearing in mind timing) recommendations made by the PAC been put into practice?
- Are there any positive recommendations that can be made about good practice to be followed in future FIG projects?

Appendix 2

Request for information sent on 29 September 2020

The following request for information was sent to the Directors of Education and Public Works on 29 September 2020:

I write on behalf of the Chair and Committee of the Public Accounts Committee. The Public Accounts Committee has decided to hold an inquiry into the Training Centre/Falkland College & Library project ("the project").

The terms of reference for the project have not yet been agreed formally, although this is expected to happen very soon. However, it may be helpful to indicate that among the areas to be covered by the inquiry are whether the project was value for money and future proof, the effect of decisions taken during the course of the project and not only whether lessons have been learned from other projects but also whether there are lessons (not just negative ones, but positive ones as well) that can be learned for future projects.

To this end, I would be grateful if you could provide the Committee with all of the documents and information relevant to the project, including but not limited to the following documents and information:

- * Unredacted versions of ExCo papers relating to the project, including: 54/15, 03/16, 87/18 (Background report 4.11) and 155/18
- * Any agenda papers or minutes (in both cases, including both open and exempt versions) relating to discussions in relation to the project at meetings of the Standing Finance Committee, the Board of Education and the Planning and Building Committee
- * The Letter of Instruction for the project (and, if different, the document referred to in one place in ExCo paper 155/18 as the Letter of Intent)
- * Any variation orders or instructions relating to the project
- * The Project Initiation Documentation and other planning documentation for the project
- * Information about how the project was monitored during its course, including documentation relevant to the monitoring process
- * Information about changes made to the project during its course, including documentation relevant to decisions taken to make these changes (and also about decisions taken not to make other changes)
- * Information about the acceptance process followed at the end of the project, including documentation relevant to the acceptance process

* A breakdown of the total cost of the project and variances from the original and amended budgets for the project, together with an explanation of any variances

* Information about the expected life of the new facilities and ongoing maintenance and running costs

* Information about financial savings or other benefits achieved because of the project, including documentation relevant to any assessment of these

It may be that lines of inquiry emerge from information contained in these documents and that further requests for documents or information are made at a later date.

In the meantime, I look forward to receiving this information in early course.

Yours faithfully

Nancy

Nancy Locke
Secretary
Public Accounts Committee of the Falkland Islands

Appendix 3

Summary of Evidence Base

ExCo papers:

129/14	Falkland Islands Skills and Training Needs Analysis
54/15	The Training Plan
02/16	The Redesign of the Training Centre and Facilities
03/16	Changes to the Training Centre Structure
36/17	Redevelopment of the Training Centre Building
78/17	Training Centre Redesign
05/18	Provision for students with special educational needs and disabilities (SEND), post 16
87/18	Draft Estimates for 2018/19 and Medium term Financial Plan for the five years to 2022-23 (Background report 4.11 – Falkland College, Community Library and FICS Capacity)
155/18	Training Centre Update
65/19	Draft Estimates for 2019/20 and Medium term Financial Plan for the Five Years to 2023/24 (Background Report 4.1 – Training Centre External Works)

Publicly available agenda papers for Education Board meetings from late 2013 on and publicly available minutes of those meetings – some of the meetings that took place during the review were also attended in person

Additional documents provided by the College Development Manager, including:

- Some e-mail correspondence relating to the project
- Draft versions of two ExCo papers relating to the project and post-meeting notes for two ExCo papers
- Minutes of the Vocational Board
- Notes of some team meetings
- Technical drawings
- Draft version of the Project Initiation Document
- Report of 2015 City & Guilds External Quality Assurance Sampling Visit

The Project in a Box record for the project, including:

- Minutes of meetings held throughout the project
- Clerk of Works reports
- Highlight reports
- Project finance documents
- Variation Orders
- Snagging reports
- Concrete cube test results

- Product data sheets

Papers relating to planning permission and building regulations approval, provided by the Planning and Building Service

Information gathered at informal meetings with:

- the Director of Education
- the College Development Manager, Emma Brook
- FIG's Project Manager, Cecil Alexander
- two other individuals who wished to provide information in private

Information provided informally by another individual

Appendix 4

Extracts from City & Guilds Centre Activity Report following an External Quality Assurance Sampling Visit in April 2015

The sampling visit to the Centre coincides with a systems visit and is performed over a four day period. The duration of the visit was agreed prior to enable site observations to take place and offer suitable guidance to any findings. The visit also coincides with the limited flight times available to the Islands.

The EQA met with the Centre Contact and the Training and Development Manager as planned to discuss the visit and make any alterations to the PA1 if required.

The visit itinerary was slightly amended to suit the Centre and the Learners, due to various work commitments and work experience placements.

The Centre Contact discussed the staff changes with the EQA since the last visit and the updated staff matrix. The EQA remarked that the matrix was slightly inaccurate as an assessor for the 6219 programme was not included. The EQA advised the matrix be updated to include all assessors. The EQA reviewed staff accreditation details for the awards and discussed the details of the Assessment and Internal Quality Strategy and its implementation. The EQA was issued with relevant access passwords for the Learning Assistant and given an induction into the programme. The EQA was given additional paper based portfolios relating to the 6219 programme that currently operates a combination of the electronic and paper portfolio.

The EQA met the various assessors and IQAs throughout the visit and was offered every assistance to perform the sampling required.

The observed session included plumbing tasks where the candidates would use a blowtorch to solder copper joints; using such equipment is not part of the qualification requirements. During the observation, the EQA discovered three plastic drinking bottles wrapped in paper containing the letters A, B and C on a low level shelf within the vicinity of the work area, further investigation found these bottles to contain flammable and explosive liquids. These bottles were also near the inappropriate mobile gas heaters, in use to heat the workshop.

The EQA highlighted the hazards to the Centre Contact for instant removal. The EQA discussed the hazard with the Centre Contact and requested to view the relevant COSHH assessments. The Centre Contact discussed the issue with the appointed health and safety person who unfortunately could not produce any COSHH assessments for the substances or any other substances within the Centre. The EQA requested to view the risk assessments for the workshop activities but unfortunately these were not available either.

The workshop session for 6219 was often disturbed by other staff and students accessing the toilet facilities and vending machine. The interruptions were common

practice as the only toilet facilities within the Centre are located in the practical workshop. The staff and students accessing the facilities did not wear appropriate PPE and often passed candidates using cutting tools.

The EQA discussed the workshop design and location with the Centre Management and gave advice concerning the potential hazards of the working practices. The workshop also contained piles of timber work stacked on benches haphazardly with the potential to cause an accident.

The current layout and design of the workshop is not fit for purpose and is potentially a hazard to the staff and students of the Centre. The EQA recommended the Centre implement a safe walking route to the toilets until suitable actions are implemented.

The EQA discussed the health and safety policy with the Centre Manager and reported it is not being implemented. A lack of health and safety monitoring is apparent and needs immediate rectification. The EQA advised the workshop be closed for all workshop activities until suitable procedures are implemented. The Centre Manager actioned the advice and re-arranged the timetable for the candidates until suitable amendments are implemented.

The workshop is currently only being used for 6219 programme. The EQA further recommended the Centre review their health and safety practices and train the staff of their responsibilities within this area.

It is the opinion of the EQA from the evidence found during the sampling visit that the Centre is currently not suitable for operating the 6219 programme and should be allocated a high level sanction. The workshop is not fit for purpose at present and the health and safety policy is not implemented. There are insufficient, ineffective explicit internal quality assurance procedures currently in place for the 6219 programme. The Centre is currently not meeting the required quality standards expected of the Awarding Body.

The EQA observed hard working staff who have rallied together during recent Centre structure changes and have the best interests of their candidates at the forefront of their minds. The EQA observed several willing and able staff who are working to ensure the Quality of the Centre is maintained whilst under the pressure of recent changes and uncertainty. Unfortunately, evidence sampled during the visit has highlighted many shortcomings.

The EQA recommends an advisory visit be arranged by the Centre to ensure future accreditation.

Feedback was given to the Centre Management team and a discussion held to clear any matters mentioned on this report.

The team was thanked for their hospitality and co-operation during the sampling visit.

Summary of comments on sampling

The EQA sampled portfolios from 6219-03 and found the Learning Assistant files to be virtually void of assessment material or decisions for the current candidates, further investigation through the paper portfolios found very little assessment or training material completed. The last input within the file was dated August 2014 even though the candidates have attended the Centre on a regular basis. The sampled portfolios also contained no sign of tutor input or feedback on theory elements of the qualification. In the sampled portfolios, the theory work appears to cover a range of activities over several sessions. Further research found no tutor marking or feedback to the candidates. The EQA requested to view any planning documents relating to 6219 but unfortunately none was available.

The sampled paper based portfolio contained information relating to induction and registration although the information was difficult to find due to the poor order of the work. The Learning Assistant software confirmed the same details of each learner although contained very little other evidence.

The EQA reviewed the IQA strategy with the Centre Contact concerning the 6219 and discovered it has not been implemented. Further discussions revealed a lack of planning and assessment for the programme was common for all candidates. A Scheme of Work was not available to view.

The EQA discussed the qualification with two candidates who spoke very highly of the staff and their programme. They stated they were very happy at the Centre and felt they had improved in many personal areas since joining the course.

The EQA observed a workshop session with the candidates who were producing a good standard of practical work. Unfortunately, the majority of the work was not related to the 6219 programme.

The tasks that were related to the programme were not documented within the candidate's portfolios.

The workshop has been deemed as an unsafe place of work and not fit for purpose due to health and safety concerns.

The EQA sampled the 6571-01 programme during the visit where several site observations were arranged as requested. The observations were professionally conducted and met the requirements of the Awarding Body. The Assessor appeared to have a good relationship with the candidates even though the Centre accesses an assessor from the UK. Further observation of this programme included attending an evening session for the candidates. The candidates fully participated in the session and arrangements were made for on-site assessments for the remainder of the assessors visit.

The EQA viewed the candidate's files on Learning Assistant and discovered very good evidence being produced.

The Centre Management discussed some of the issues relating to the programme, mainly concerning appropriate staff. The Centre had implemented TAQA qualifications for several tradespeople within the area to ensure the future of the programme.

The EQA interviewed several candidates on the programme who spoke very highly of the staff at the Centre. They understood the qualification and were fully aware of their progress and what was required to complete the qualification. The Learning Assistant software was new to the candidates and several had not uploaded evidence yet although the work was ready for the process. The EQA found the 6571 programme to be managed effectively at present with all candidates enjoying the experience.

Quality Assurance Requirements

Have all programme operations been complied with?

The 6219-03 has not met the requirements of the Awarding Body.

Is the assessment strategy complied with?

There is very little evidence of assessment taking place within the 6219-03 qualification.

Have all assessments been sampled as planned?

The EQA has had full access to the electronic portfolios and assessment documentation.

Do IQA staff facilitate regular standardisation activities?

Standardisation meetings are held regularly.

Do IQA staff give appropriate feedback to assessors regarding their assessment decisions?

The IQA strategy has not been fully complied with, although evidence was available regarding the IQA performing assessments on assessors.

Do IQA staff maintain appropriate sampling plans in line with CAMERA?

The IQA strategy has not been fully complied with regarding CAMERA.

Are records of IQA activity maintained and made available in line with City & Guilds / ILM requirements ?

IQA records are available although the IQA for 6219-03 has not been fully met due to the lack of assessments.

Do all claims for certificates meet the necessary requirements?

No claims have been made to date for the sampled qualifications

Are there any other risks concerning IQA activity?

The roles of the various staff is confusing and needs reconfiguring. Recent staff changes have left the Centre without suitable assessors/IQA.

Action/Improvement Points

2.2 Update staff matrix to include all assessors (Level of risk: Low)

7.2.2 Review IQA strategy to ensure full compliance with awarding body requirements (Level of risk: High)

3.1.3, 1.7 Prohibit students working in the Centre workshop (Level of risk: High)

3.1.3, 1.7 Ensure workshop is of a suitable design and safe for delivery of accredited qualifications (Level of risk: High)

7.1.1/2 Review and implement suitable staffing arrangements for 6219 programme (Level of risk: High)

3.1.3, 1.7 Review health and safety procedures to ensure they meet relevant legislation (Level of risk: High)

Appendix 5

Extract from the Education Department Annual Report 19/20

Falkland College

2019-2020 was not an easy year for the Training Centre, which became Falkland College in September 2019. Building works began in July 2019 on the new College building and were stopped in the first week due to the discovery of unexploded ordnance on the build site. Despite the challenges Falkland College continued to offer courses and examinations with over 700 people using the College over the year. This was significantly reduced from previous years (1,200 in 2018/2019), mainly due to the College closing in January to enable the move to the New Building to be progressed. The new build then being delayed to February and then into March, with the keys to the building being handed over on the 16th March, only for the building and all non-essential services being stopped due to Covid-19.

During lock down, the college was furnished and made ready. The Library was unpacked, having been in storage from December 2019, and rebuilt in the new College Building. Towards the end of lockdown, the Library was able to offer a home delivery service of books and DVD's. The Shield Programme has also gone from strength to strength, the range of goods produced in the enterprise scheme continues to grow and the support from the local community for the Shield programme has been very encouraging.

This year we have also seen the greatest number of new apprentices being given the opportunity to gain workplace skills and the necessary qualifications with 2 apprentices intending to following level 6 courses. The new building has been very well received and is being used by a cross section of the local community.

Appendix 6

Extract from the open minutes of an Education Board meeting on 25 February 2021 – presentation by the College Development Manager

Presentation – Falkland College update

Emma Brook (EB), Falkland College's Development Manager delivered a presentation outlining Falkland College's positive changes, growth and development plans.

Key notes from the presentation are as follows:

- Between 2015-2020 the number of people using the college has risen from 250 to over 2000 per annum.
- Currently 31 apprentices under the apprenticeship programme.
- During lockdown in 2020, there was a surge for online courses, in one month over 450 signed up for CPD courses.
- Workshop redevelopment plans are underway but cannot proceed until a facility for the Shield programme has been built. The new workshop will include a kitchen, toilets and a purpose-built changing room. A Workshop Manager post has been advertised.
- The Shield programme currently has 7 full time students and 1 part time student. They are currently in the process of making house signs. All bar 1 have work placements. Planning permission has been granted for the new Shield workshops, hoping their shop can be on the same premises.
- The introduction of the new e-library service "Libby" is up and running.
- Footfall in the library has increased to 520 visits a month (July 2020) in comparison to 120 a month when the library was based at FICS.
- In February 2021, there was 1 person on the Employment Programme and 15 on the Enablement Programme.
- No waiting list for driving examinations and theory tests. In 2020, 160 theory tests and 148 examinations were completed.
- Currently 31 apprenticeships; 27 full sponsored by FIG and 4 privately sponsored.
- Evening classes have proved popular. EB to send MLA's costings of the classes.

Appendix 7

Extract from ExCo paper 03/20

4. FIG Response

“In light of the significant capital projects FIG has planned, better project management is put in place, particularly during the planning stage, which should decide the goals of the project and responsibilities of the key parties”.

PAC Recommendation 1

4.1 “That FIG ensures all key decision makers and those with delegated authority follow Financial Instructions and must adhere to the relevant authority and practice in respect of project variations ”

4.2 Response: Agreed regarding Financial Instructions. The FIG Financial Instructions (Section 8 “Additional Expenditure & Variations”) sets out the procedures as below:

8 Additional Expenditure and Variations

8.1 As stated previously, Accounting Officers have no legal authority to spend beyond the delegated authority from the annual Appropriation Bill, as amended by any Supplementary Appropriation Bill.

8.2 If, in exceptional circumstances, there is a need to incur expenditure on a service not provided for in the estimates the Accounting Officer should apply to the Financial Secretary for authority. The Accounting Officer should provide a concise statement of the nature of the service for which the provision is needed with:

8.2.1 Relevant figures;

8.2.2 The reason why the expenditure could not be foreseen;

8.2.3 Why the expenditure cannot be postponed without detriment to the public service;

8.2.4 Any previous correspondence; and

8.2.5 A summary suitable for presentation to the Standing Finance Committee.

8.3 If it is possible to make savings on other items within the directorate, details and reasons for the anticipated savings must also be given. A clear distinction must be made between savings:

8.3.1 Due to a service being cheaper than expected or no longer necessary;

8.3.2 Due to a service being postponed or delayed, the full cost of which will be paid in later years.

8.4 Anticipating a saving on one item is not in itself a justification for overspending on another.

8.5 The Standing Finance Committee is responsible for considering requests for the provision of funds in addition to those already appropriated by Ordinance.

8.6 Immediately after the end of the financial year, Accounting Officers may submit an Application for Budget Carry Over to the Financial Secretary. Funds may only be carried over if either:

8.6.1 The funds are for a project that, due to unforeseen circumstances, has not been completed before the year end; or

8.6.2 There are clear timing issues, outside the Accounting Officer's control which have meant that expenditure budgeted for a specific purpose has not been spent and is intended to be used for the same purpose in the following financial year.

PAC Recommendation 2

4.3 "Due tender processes be followed throughout the life of the project including where separable work is created"

4.4 Response: Agreed. Reference must be made to the contract documents relating to the particular project in question and Financial Instructions.

PAC Recommendation 3

4.5

4.6 Response: Agreed. FIG has already invested significant resources in recruiting professional project managers, strengthening the Programme, Procurement & Contract Management Departments, installation of project management software across FIG (Project in a Box), implemented a training programme and introduced governance structures for all capital projects through Project Boards and commissioning the Professional Services Framework Agreement with Ramboll and Turner & Townsend which establishes a clear pathway of project definition, scope and delivery from RIBA Work Stages 1 to 7 including project & cost management services.

PAC Recommendation 4

4.7 "There is better contractor management and supervision on all FIG projects, specifically that FIG ensures that all work is properly checked before sign off and that sign off is by a suitably qualified FIG representative"

4.8 Response: Agreed. The implementation of the professional services framework contract with Ramboll/Turner & Townsend has significantly improved FIG's contract management and supervision including quality checks and final sign off.

PAC Recommendation 5

4.9 “Better communication and clearer responsibilities between FIG and the contractor”

4.10 Response: Agreed, this should be reflected in contract documentation.

PAC Recommendation 6

4.11 “Better communication and clearer responsibilities between and within FIG departments, particularly where projects fall across more than one Directorate”

4.12 Response: Agreed. FIG has already implemented clear divisions of responsibility within the governance of its projects. This is overseen at Corporate Management Team level and individual project boards, where individual project leaders are identified and held accountable. Members of the Legislative Assembly are briefed every quarter on the progress of the FIG capital programme.

PAC Recommendation 7

4.13 “PAC recommends that key FIG staff are not taken off projects without proper handover”

4.14 Response: Agreed. Where possible, FIG ensure proper project hand over as part of good project management practice.

PAC Recommendation 8

4.15 “In order to achieve best value for money for a project whole life costings must be considered and evaluated for projects when considering options and tenders”

4.16 Response: Agreed. This is usually undertaken during the project evaluation and appraisal stage where appropriate.

PAC Recommendation 9

4.17 “To achieve whole life value for money, adequate budget must be made available to carry out routine maintenance rather than letting an asset get to a ‘critical state’”

4.18 Response: Agreed. This is normally evaluated at the project evaluation stage for significant large infrastructure projects and then factored into a business case for Executive Council and Standing Finance Committee. Individual FIG directorates assess their routine repair and maintenance requirements during annual budget rounds.

PAC Recommendation 10

4.19 “That FIG has a robust system in place to ensure that when an employee’s capability or behaviour is questioned, a thorough HR investigation is carried out and is documented”

4.20 Response: Agreed. FIG operates robust HR processes and procedures as set out in the newly approved Management Code.

PAC Recommendation 11

4.21 “In cases where capability or behaviour is found wanting, FIG does not reward poor performance”

4.22 Response: Agreed. FIG operates robust HR processes and procedures as set out in the newly approved Management Code.

PAC Recommendation 12

4.23 “A further study and assessment is undertaken on the state of the pool to fully understand the challenges it faces, how long it is likely to last and if anything can be done to prolong its life”

4.24 Response: Agreed. FIG has commissioned Ramboll under the Professional Services Framework Agreement to survey the pool and recommend an appropriate course of action. A survey of the pool has been undertaken and the pool fibre glass lining has been found to be in poor condition and removed. An assessment about the next steps, programme and cost plan is being developed for consideration by Executive Council.

**Layout plan for the Falkland College/Library building
(as submitted with 2019 planning application)**

