

Transport and Environment Committee

10.00am, Thursday, 11 November 2021

Spaces for People – Internal Audit

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 Transport and Environment Committee are asked to note the management responses and lessons learned from the Spaces for People Internal Audit, as outlined in Appendix 1 of this report.

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Executive Director of Place

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Report

Spaces for People - Internal Audit

2. Executive Summary

- 2.1 This report responds to the motion approved at Transport and Environment Committee on 9 September 2021 (meeting continued from 19 August 2021) on the Spaces for People (SfP) Internal Audit.

3. Background

- 3.1 On [10 August 2021](#) the Governance, Risk and Best Value Committee received a report on the Council's Internal Audit Annual Opinion for the year ended 31 March 2021.
- 3.2 Appendix 15 of this report set out the findings of an Internal Audit for COVID-19 on the Spaces for People Programme.
- 3.3 At the reconvened meeting of the Transport and Environment Committee of [19 August 2021](#) (on 9 September 2021) Committee approved a motion on the Spaces for People Internal Audit.
- 3.4 The motion:
- 3.4.1 Welcomes the contents of the Internal Audit report to Governance, Risk and Best Value Committee which comments on the Spaces for People initiative and notes the 'red' rating given indicating that there is significant improvement required;
 - 3.4.2 Notes the comments of Internal Audit that recognises the difficulties faced in implementing these emergency measures during the pandemic;
 - 3.4.3 Notes the identification of some significant and moderate control weaknesses in both the design and documentation of controls established to support identification and prioritisation of SfP proposals; project management and governance; and financial and budget management;
 - 3.4.4 Notes the clear guidance offered by the Internal Audit report on steps required to resolve these issues;
 - 3.4.5 Notes that the Internal Audit recognises that management action has already taken place to identify where improvement was required and that

implementation of appropriate changes has already been undertaken to address these issues;

3.4.6 Agrees that findings must continue to be addressed effectively by senior management before the end of this administration and that an improved future outcome should be expected by elected members; and

3.4.7 Requests a report to the November Transport and Environment Committee which outlines in detail those management responses and what lessons can be learned going forward for forward implementation.

3.5 This report addresses the action at paragraph 3.4.7.

4. Main report

4.1 The SfP programme was established in April 2020 in response to the public health emergency following the outbreak of Coronavirus (COVID-19). The programme was developed to provide increased space for walking, wheeling and cycling to facilitate physical distancing as people were moving around the city.

4.2 As stated in the Internal Audit report, due to the emergency situation at the beginning of the programme, normal programme governance arrangements for roads and transport schemes would have delayed the programme and therefore an amended approach was developed and implemented.

4.3 The Internal Audit report sets out three findings from the audit:

4.3.1 Prioritisation and Approval of SfP initiatives;

4.3.2 Project Management and Governance; and

4.3.3 Financial and Budget Management.

4.4 A detailed summary of the finding observations, the audit recommendations, management responses and lessons learned is set out in Appendix 1.

4.5 The audit took place in September and early October 2020. At that time, the SfP programme was still evolving and moving at pace to develop and implement measures to help people move around the city safely. It is recognised that improvements in the governance of the programme could have been made at the outset of the programme. This recognition and the observations from Internal Audit helped as the programme developed in the later stages (from October 2020 – June 2021). The observations and recommendations have also been helpful in designing and implementing the governance arrangements for the Travelling Safely programme.

5. Next Steps

5.1 The lessons learned from this audit have now or will be implemented moving forward.

- 5.2 While it is not possible to predict what future public health emergencies may arise, an upcoming review of Council Business Impact Assessments (as part of the Council's resilience arrangements) will consider all of the lessons learned from the Coronavirus (COVID-19) pandemic on operational services.

6. Financial impact

- 6.1 There are no financial impacts arising from this report.
- 6.2 Funding for SfP was allocated to City of Edinburgh Council by Sustrans, on behalf of Transport Scotland. Regular updates on the financial commitments of the Council's SfP programme were provided to Committee as part of the SfP update reports.

7. Stakeholder/Community Impact

- 7.1 There are no stakeholder or community impacts arising directly from this report.
- 7.2 However, stakeholder and community impacts formed a core part of the SfP programme from June 2020 – June 2021 and will continue through the development and implementation of the Travelling Safely programme.

8. Background reading/external references

- 8.1 Regular updates on Spaces for People Measures were presented to [Policy and Sustainability Committee](#) (between May 2020 and August 2020) and [Transport and Environment Committee](#) (between October 2020 and April 2021).

9. Appendices

- 9.1 Appendix 1: Spaces for People – Summary of Internal Audit Findings and Management Responses

Appendix 1: Summary of Spaces for People Audit Findings, Management Responses and Lessons Learned

Finding 1 – Prioritisation and Approval of Spaces for People Initiatives

Internal Audit Observations	Internal Audit Recommendations	Management Response	Lessons Learned
<p>Initial Proposals - initial SfP initiatives considered for prioritisation were based on suggestions from a relatively small group of officers and external local community stakeholders. Management has advised that subsequent comparison between the programme and retrospective public consultation outcomes demonstrated a good degree of alignment</p>	<p>1. Management should consider implementing the following retrospective actions in relation to the most significant and challenging SfP initiatives that are either in progress, or have been completed:</p> <ul style="list-style-type: none"> • ensure that prioritisation outcomes and supporting rationale are clearly documented. 	<p>Following the announcement of funding from the Scottish Government, through Transport Scotland and Sustrans, for SfP initiatives, a SfP Project Board was established.</p> <p>The Board considered a quick analysis of the Council's existing Active Travel investment programme and, using officer knowledge and criteria set out in the report to Policy and Sustainability Committee on 14 May 2020, the Board considered potential interventions which could be delivered quickly and the agreed programme was submitted to Committee for approval</p>	<p>The circumstances of any public health emergency are difficult to predict. Should such a situation arise in future, the Council will be likely to utilise existing programmes of work where these exist assessed against set (or agreed) criteria. Should a future public health or critical response situation arise, early decisions should be taken by a panel of officers where possible and criteria/justification recorded.</p>
<p>Prioritisation Process – given prohibitive implementation timeframes, the majority of initiatives were initially prioritised by six project team members in April 2020 using the 16 approved scoring criteria in the Prioritisation and Assessment Scheme Model (PASM)</p>	<ul style="list-style-type: none"> • publish the outcomes of the retrospective prioritisation process. • Consider whether any changes to either completed or initiatives in progress are 	<p>The intervention criteria were set out in the report to Policy and Sustainability Committee on 14 May 2020 for approval. This was based on proposals:</p> <ul style="list-style-type: none"> • Being consistent with the funding criteria/objectives set out by the Scottish Government. • Not undermining the long term viability of the public transport network; • Support economic revival. <p>Assessment against criteria was proposed for each scheme.</p>	<p>A numeric model was retrospectively developed and reported to Policy and Sustainability Committee on 20 August 2020.</p> <p>The recommendations from Internal Audit in terms of scoring and prioritisation were taken into account in presenting the outcome of the Potential Retention of Spaces for People</p>

<p>spreadsheet. Review of the model methodology and project team assessment approach confirmed that they were largely based on professional judgement with limited justification available to support prioritisation outcomes other than the numeric scores generated by the model.</p>	<p>required based on public feedback</p> <p>2. To support effective prioritisation and approval of any future SfP initiatives, management should design and implement a process to support assessment and prioritisation of future proposals. This should include, but not be limited to:</p> <ul style="list-style-type: none"> • details of how the PASM spreadsheet scoring criteria works in practice; • how the PASM should be used to support assessment; • the change management and ongoing version control process to be applied to the PASM; • the need to align proposals with public feedback 	<p>Developing a numeric model would not have been possible within the timescale between the announcement of funding and the requirement to report to Committee.</p>	<p>Measures presented to Transport and Environment Committee on 17 June 2021 and to the City of Edinburgh Council on 24 June 2021.</p>
<p>Prioritisation Guidance - use of a simple impact matrix supported by verbal team briefings on how the PASM spreadsheet should be used by the project team resulted in inconsistent prioritisation outcomes</p>		<p>This was implemented in responding to the consultation on Potential Retention of Spaces for People Measures in Spring 2021.</p>	<p>It is proposed to provide training to a wider group of officers on developing and implementing prioritisation matrices to ensure better consistency in the future.</p>
<p>Outcome Review and Moderation - initial prioritisation outcomes were reviewed and moderated by two project team members using their professional judgement. Whilst different versions of the PASM spreadsheet outcomes were retained, there is no clear audit trail supporting the changes</p>		<p>In this case the moderation utilised the PASM matrix and SIMD data which had been used in the initial scoring, alongside professional knowledge. In addition to the two people who carried out the moderation, the outcomes were considered by the Design Review Group for the project (a wider group of professionals from across Transport services), by the SfP Board and then were approved by CIMT or Committee.</p>	

made. Consequently, final prioritisation decisions were based mainly on the professional knowledge and judgment of two project team members.

Outcome Publication - prioritisation outcomes (scoring and prioritisation ratings) could not be easily located on the Council website, and were not shared with stakeholders prior to approval by CIMT and subsequent implementation.

Public Survey - public opinion was obtained from a survey completed in June 2020 using the Commonplace survey application, with circa 4,000 comments and 30,000 agreements / likes received. Given time taken to analyse responses, the full population of responses received had not been cross referenced to ongoing SfP initiatives and incorporated (where appropriate) into the prioritisation process prior to completion of the audit

- and opinion (where possible);
- the requirement to document the rationale for any prioritisation recommendations that are either aligned with model outcomes or are subjective and should be considered;
- documentation to be retained; and
- the final moderation and approval process

In [August 2020](#) the scoring criteria was updated, and project priority scores were provided to Policy and Sustainability Committee. This built on the original scoring criteria and provided an overall summary of the scores for each scheme.

Following completion of the Commonplace survey, instructions on how to incorporate the feedback received in existing (during the bi-monthly scheme reviews) and in scheme design for new schemes was issued. In addition, a summary of the Commonplace comments was provided to scheme designers.

In the future, if prioritisation criteria are used, these will be published on any dedicated project pages online.

In reviewing schemes included within the Travelling Safely programme, feedback to the consultation on the Potential Retention of Spaces for People measures has been considered as schemes have been developed for Experimental Traffic Regulation Order (ETRO) publication.

(October 2020). It is acknowledged that work was in progress to summarise key themes and map them against initiatives for subsequent Transport and Economy Committee paper

Use of Feedback - where public feedback was incorporated into projects, no audit trail was available to confirm that this was completed.

The purpose of the public engagement was to invite residents to identify areas where physical distancing was most difficult. Suggestions and comments were made through the Commonplace tool.

Headline feedback was reported to Policy and Sustainability Committee on [20 August 2020](#) and in more detail to Transport and Environment Committee on [12 November 2020](#). states that the comments were mapped to the existing and proposed programme.

The scheme review documentation and scheme proposals which followed analysis of the Commonplace feedback incorporated details of how feedback had been considered in reviewing/designing each scheme.

In future, design and review documentation will include a requirement to state how public feedback has been incorporated into designs.

Finding 2 – Project Management and Governance

Internal Audit Observations	Internal Audit Recommendations	Management Response	Lessons Learned
<p>As the SfP programme was initiated at extremely short notice with the majority of initial decisions made under considerable time pressure, a number of routine project management and governance arrangements were either not implemented, or were implemented retrospectively. Specifically:</p> <ol style="list-style-type: none"> 1. Project business case - no business case was developed for the programme. This appears reasonable given tight implementation timeframes. 2. Project governance – whilst regular project team and Board meetings are held, outcomes of discussions and decisions are not being consistently recorded. Action logs have been created, but do not consistently include 	<p>To support ongoing implementation of SfP initiatives, management should design and implement relevant and proportionate improvements to the established governance and risk management framework. This should include, but not be limited to:</p> <ol style="list-style-type: none"> 1. documentation of decisions made at project team meetings, including consideration of relevant risks 2. continue to develop and use the programme risk register to support identification; assessment; and effective management of 	<p>Following the audit, arrangements were made to ensure that the outcome of all project team and project board meetings were recorded consistently for each meeting.</p> <p>A risk register for the programme was developed in September 2020, in direct response to feedback from Internal Audit, and maintained through the remainder of the programme. Prior to this, risk was discussed as part of the project team and project board meetings but was not always clearly documented.</p> <p>The workforce plan for Spaces for People was based on the delivery team requirements agreed for the programme. The team members were drawn from existing Place services and were effectively seconded to the programme on a full-time basis. There was no risk of them being asked to return to their substantive duties while they were working on the programme. In addition, external capacity was secured to support programme design and delivery. The resource arrangements for the programme were regularly reviewed and changes made if required.</p>	<p>For future programmes, it is proposed that the individual project teams consider the Council’s project management guidance to determine the appropriate governance arrangements for each project (this will be adapted depending on the individual circumstances of projects being developed). This will include (but not limited to):</p> <ul style="list-style-type: none"> • Development of a bespoke business case; • Development of a workforce plan • Clear roles and responsibilities for team members; • Development and maintenance of a project risk register (in line with the relevant Council risk appetite and framework); • Documentation on how benefit realisation will be captured; and • Adequate data ownership/sharing arrangements are in place if

<p>3. details of action owners. Additionally, progress with delivery of actions is not always monitored at subsequent meetings. Risk management - risk appetite for the programme was not clearly defined, and no risk management process was implemented to support identification; assessment; and management of programme delivery risks. It is acknowledged that a risk register has now been established and is currently being populated, and that the health and safety aspects of designs were considered by the design review group.</p> <p>4. Initiative implementation and benefits realisation – due to capacity constraints, no monitoring is performed to confirm</p>	<p>programme risks</p> <p>3. Identify key project team members and design and implement appropriate processes to monitor ongoing programme delivery in comparison to delivery milestones, and assess whether expected benefits are being achieved.</p> <p>4. confirm whether the commonplace survey tool contract will be extended, and establish data controller responsibilities in the event that the application is used to collect personal data.</p>	<p>Scheme implementation plans were developed and then reviewed every two months with recommendations on scheme changes reported to Committee.</p> <p>The survey data for the Edinburgh survey was provided by Sustrans to the Council in order for the analysis of comments and suggestions to be completed. Once the report was presented to Committee, there was no further need for City of Edinburgh Council to access the information provided.</p> <p>The responsibilities of the data controller rest with Sustrans as they performed this role.</p>	<p>information is being captured on external systems.</p>
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<p>that works have been completed in line with specified delivery milestones. Additionally, no assessment has been performed to confirm that expected benefits have been realised. Management has confirmed that peer reviews have been performed following completion of our audit work to confirm the whether expected benefits have been realised.</p> <p>5. Commonplace survey tool - the survey application was sourced on an initial free six month trial period, and it is currently unclear how the Council's SfP survey data will be accessed if the licence is not extended. Additionally, data controller responsibilities have not been clarified between the Council</p>	<p>5. If the commonplace contract is not extended, identify and implement alternative arrangements to collect public feedback on SfP initiatives.</p>		
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and the application provider in the event that any personal data is collected as part of the survey process.			
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Finding 3 – Financial and Budget Management

Internal Audit Observations	Internal Audit Recommendations	Management Response	Lessons Learned
<p>Financial Assessment Summary Spreadsheet – there was limited evidence of validation by the project team of the Financial Assessment Summary Traffic Management spreadsheet designed by external consultants and used to cost the initiatives; determine stock levels required; and select suppliers to confirm its completeness and accuracy prior to use</p>	<p>To support effective ongoing management of the SfP programme management should</p> <ol style="list-style-type: none"> 1. Perform a retrospective review of the Financial Assessment Summary Spreadsheet 	<p>It is recognised that the financial model was not validated prior to use. However, the recording sheet evolved in discussion with the Project team and Finance to include appropriate functions and cost projections. The actual costs were tracked through the Council’s financial systems which showed that they were in-line with cost projections.</p> <p>Regular financial updates were reported to Committee.</p>	<p>For Travelling Safely, validation arrangements have been incorporated into the planning to ensure that financial information is captured and validated on an on-going basis.</p>
<p>Programme Exit Costs - there is currently no clear strategy for determining the potential exit costs associated with reversing individual projects, or transitioning them into permanent solutions, and it is currently unclear how any significant exit costs will be funded.</p>	<p>Traffic Management spreadsheet to confirm the completeness and accuracy of model formulae and assumptions, and that there are no significant inaccuracies in forecast and actual project costs.</p>	<p>At the point of the audit, this was not considered appropriate however in response to the audit findings, details of the expected exit costs were added to the financial information reported to Committee.</p>	<p>In developing the Travelling Safely programme, exit costs were factored into the programme financial projection.</p> <p>The funding carried forward from the 2020/21 programme has now been added to the ETRO transition programme funding. The arrangements for transition to permanent schemes or scheme removal by the end of the ETRO period now form part of the on-going programme and funding planning.</p>

<p>Benefits Realisation Funding – – Currently £175K (4% of available SfP funds) has been retained to complete a review of programme benefits by an external consultant, with no supporting rationale for this retention value. Management has advised that this budget allocation was defined following detailed engagement with Sustrans, however no evidence has been provided to support this.</p>	<ol style="list-style-type: none"> 2. Develop an approach to support calculation of exit costs and how these will be funded. 3. Consider alternative internal options for completion of the planned benefits review and determine the associated costs. This should include consideration of completion of data gathering and benefits assessments on a continuous basis for the duration of individual projects, enabling ongoing modification to support benefits realisation 	<p>Should ETROs be made for scheme trials in February/March 2022 this activity will be required over Summer 2022. The scope of monitoring and evaluation is still to be defined, however, assessment criteria has been developed and successfully used during the project.</p>	<p>A reserve of £100,000 has been identified for monitoring and evaluation during the first six months of the ETRO trial period. Monitoring is expected to be undertaken during Summer 2022.</p> <p>Options to undertake this activity internally will be considered when appropriate as suggested by Internal Audit.</p>
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