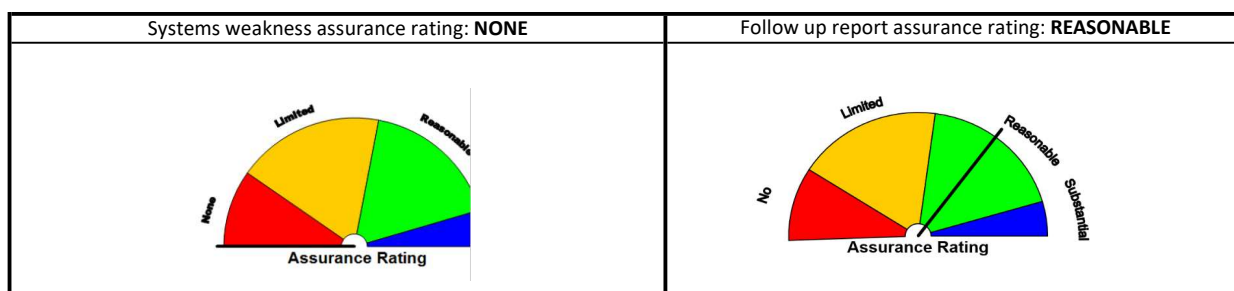


Appendix 1: A52 Lessons Learnt Report January 2022



Weaknesses to be addressed by the Project			
Ref	Risk Rating	Summary of Weakness	Follow up report finding
1	Significant	Issues requiring changes to designs and specifications, following formal issue, were largely dealt with in isolation to the overall designs without consideration for the entire model.	Regular technical assurance reviews were undertaken by an external contractor, a "Technical Assurance Report" was produced and reviewed by the Project Board, (which also included officers from the Council's Principal Contractor working on the project). Recommendations 1 and 2 satisfied
2	Moderate	There was no directorial overview of the design and specification process being undertaken in real time.	See recommendation 1
3	Significant	An unrealistic contingency had been set for the Scheme which was considerably low considering this was a brownfield site.	Collaborative risk workshop was held and a suitable contingency was included in the revised budget calculation, which was accepted by Cabinet. Recommendation 3 satisfied
4	Significant	Council officers failed to provide Members with an honest appraisal of the issues arising and information provided was neither detailed nor accurate	Since February 2019 regular briefings were taking place with the Leadership team and relevant cabinet members. Minutes were available for the meetings from 2020 onward. Recommendation 4 partially satisfied
5	Significant	Governance arrangements around the Project Board and the Infrastructure Board were largely ineffective and an initial Terms of Reference for the Project Board could not be provided.	Further evidence would need to be seen of this process becoming embedded and working in practice. However, early indications demonstrate that actions had commenced to implement this control. Recommendation partially satisfied
6	Significant	Increased project costs were not reported to Members on a timely basis.	Project costs reviewed and discussed by the Corporate Board, and with Members not on the Board on a regular basis. Recommendation 6 satisfied
7	Moderate	Project Risk Registers were poorly designed and utilised, and were not in line with the Council's methodology for Risk Management. Registers contained a number of inaccuracies and risks were inconsistently documented throughout	Risk register was regularly discussed at project Board meetings. Risks were being recorded in line with the corporate risk management methodology. Recommendation 7 satisfied
8	Significant	Mechanisms in place for review and escalation of project risks were not being consistently adhered to and there was insufficient oversight of the project risks, particularly following the absorption of the Project Board into the Infrastructure Board	Further assurances were sought after the follow up report, after which auditors received evidence that the Corporate Board had reviewed project risks on a more regular basis. Recommendation 8 satisfied
9	Moderate	Members were not in receipt of the Project Risk Registers and risks reflected in Cabinet reports did not provide for a comprehensive review of the project risks	Risks were being reviewed regularly and the Deputy Leader and Members were being appraised regularly. Recommendation 9 satisfied
10	Moderate	There were ineffective risk management arrangements in place between the Council and the Principal Contractor	Contractor representatives were attending the Project Board on a regular basis and were involved in risk discussions. Recommendation 10 satisfied
11	Moderate	The Principal Contractor may have either, undervalued the risk pot associated with the risk of undertaking night working, or inflated the associated costs when this risk actually materialised	Defined cost audit had been carried out - applications for payment were in line with the contract. Recommendation 11 satisfied
12	Moderate	Arrangements had not been put in place by management to cover the role of Project Manager in periods of absence	Head of Highways, Assets and Engineering was involved in project management activities/meetings, and other council officers were allocated tasks to cover periods of the project managers absence. Recommendation 12 satisfied

13	Moderate	The Project Team took the decision to move to night working without the involvement of the Strategic Director or Members, and without the costs of this change, or impact on the project timeframes, being known.	Key project decisions noted as being discussed in the appropriate forums with the appropriate people. Recommendation 13 satisfied
14	Significant	There were no performance indicators in place which facilitated the ongoing monitoring of the Scheme's progression	Key milestones and progress was reviewed at Project Board meetings. Procurement framework KPIs were used to monitor performance. Recommendation 14 satisfied
15	Significant	The monitoring of the A52 Scheme, by the respective Boards with project management oversight, was largely ineffective.	Formal minutes were being taken to reflect the nature of discussions and decisions taken at both the Corporate and Project Board meetings. Representatives from the Principal Contractor also regularly attended meetings of the Project Board and their attendance was appropriately recognised within the list of officers present. Recommendation partially satisfied - audit requested further evidence to establish that the controls had been fully embedded.
16	Low	There was insufficient recording of meetings and decisions, and a lack of version control over working documents	Minutes were taken to evidence discussions and decisions, a drawing register established evidencing issue status and issuing officer, and LEAN reviews were taking place. Recommendation 16 satisfied
17	Moderate	Financial documentation contained errors and questionable figures that had not been properly explained.	Principal accountant assigned to monitor the budget, and held regular meetings with colleagues from the Principal Contractor. Financial information was subject to monthly review and scrutiny. Detailed financial information was then presented to the A52 Project Board. Recommendation 17 satisfied
18	Moderate	There was a lack of review and verification over key elements of the cost schedules.	Monthly commercial reports were provided to the Council by the external contractor, and monthly reviews on applications for payment were being conducted. Costs were challenged and reviewed prior to payment. Recommendation 18 satisfied
19	Moderate	The Council officer authorising Compensation Events and subsequently the additional payments, was doing so without the formal delegated approval being in place.	Delegated approval limits for the project had been reviewed and updated to aide project delivery. Specific approval limits had been set, and the reporting period for calculating cumulative limits had been amended. The revised limits set under the delegated approval had been approved by the (then) Strategic Director of Corporate Resources, the (then) Interim Director of Legal, Procurement, Democratic Services and Monitoring Officer and the Deputy Leader of the Council. Recommendation 19 satisfied
20	Moderate	Instructions to the Principal Contractor were being given reactively via Project Managers Instructions, rather than following the standard Early Warning Notice and Compensation Event route for properly appraising the change and giving due consideration to the overall impact on the works	Monthly commercial reports were produced by the contractor detailing Early Warning Notices and Compensation Events raised. Recommendation 20 satisfied
21	Moderate	A number of registers were in place for recording and managing project changes, all of which contained differing information. This had the potential to directly affect costings.	Defined Cost Audit carried out which confirmed that values paid had been in line with those agreed in the contract, and that checks continued to be in place to review applications for payment on a monthly basis. Recommendation 21 satisfied