A52 Wyvern Transport Improvements Scheme – Lessons Learnt

Purpose

1.1 To provide the Regeneration and Housing Scrutiny Review Board with the detailed lessons learnt derived from the A52 Wyvern Transport Improvements Scheme and evidence the level of assurance in place following the corporate response.

Recommendation

2.1 To note the information presented in the report and complementary presentation to be received at the Board.

Reason

3.1 This was requested by the Regeneration and Housing Scrutiny Review Board, to update on the A52 project and share the lessons learnt with elected Members.
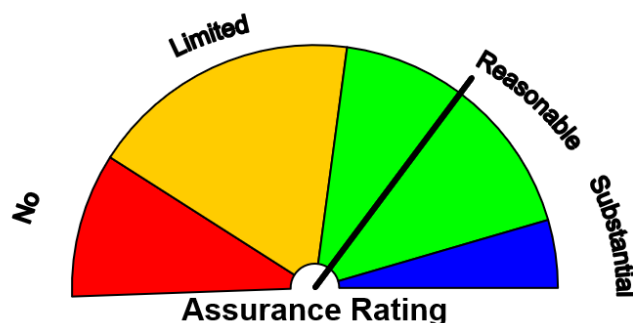
Supporting information

4.1 **Background**
The A52 Wyvern Transport Improvements Scheme (WTIS) was designed to deliver significant highway and economic benefits on a congested part of Derby's principal road network including:
- improved road safety
- reduced congestion and improved air quality
- improved operation of the road network and key junctions
- support for walking, cycling and public transport users
- improved accessibility for people with impaired mobility
- bringing forward development and creating new employment opportunities
- minimising future disruption and costs associated with road maintenance

4.2 The project started on site construction in October 2017 with the key deliverables completed by October 2020. Site operations were halted part way through construction due to significant problems in the delivery of the design and increasing costs. Work recommenced after Cabinet approval in April 2019.

4.3 The project budget and scope increased from its previous allocated budgets to a final approved total budget in April 2019 of £43.2m which consisted of a Project Budget of £40.3m and a Risk Allocation of £2.9m.

4.4   An internal audit was carried out on the project from May 2018 and reported in January 2019. This audit and insight have been used to inform improvements to project management and oversight processes within the Council, ensuring that projects are delivered more effectively with the appropriate level of governance and controls in place.

4.5   Towards the completion of the project the wider project team carried out several lessons learned sessions that generated operational insight from individual project team members representing various sections of the council involved, the contractor, sub-contractors, external design and financial assurance organisations.

4.6   Following the audit, more effective governance arrangements were put in place, suitable levels of resource were allocated and contractor engagement improved. These changes enabled project delivery in line with the revised budget and programme, with construction works substantially completed in October 2021.

4.7   In response to the internal audit report of 2018, a significant number of improvements were made to address the system weaknesses and project control issues identified. The March 2021 re-audit provided an assurance rating of 'reasonable', representing a significant increase from May 2018.

March 2021 Audit rating

The report found '*a generally sound system of governance, risk management and control [was] in place*'.

4.8   A number of actions were carried out to improve the project's governance and control arrangements, both within the project structure and the wider organisation. Project specific actions included:

- Regular technical assurance reviews
- Collaborative risk workshop held, followed by regular risk reviews by the project team, Board members, and relevant Cabinet Members
- Milestones reviewed by the project board and procurement KPIs used to measure contractor performance
- Finances were monitored in regular monthly meetings with the contractor
- Accurate and comprehensive recording of meeting minutes, actions, and discussions around risks and issues at formal meetings
- Appointment of a governance project manager, specifically tasked with establishing, embedding, and managing all areas of governance and project controls

The full list of identified weaknesses and subsequent follow up report findings which detail the actions taken are listed in Appendix 1.

4.9   The Council has continued to build on this progress implementing significant improvements in how projects and programmes are managed, particularly in response to the corporate recommendations. A summary of notable improvements include:

- Programme Management Office (PMO) and PMO Board established – gateway reviews required for all projects meeting PMO gateway criteria
- A strengthening of the PMO Board's assurance role with an improved focus on learning and sharing best practice
- Project roles and responsibilities updated, with refreshed guidelines on MiDerby to aid clarity and consistency
- Development of a Project Management Platform (PMP) which provides centralised document storage and corporate project management templates. Data from the PMP can also be interrogated by the Assurance Team outside of gateway reviews, and for any projects not meeting gateway criteria
- A desk top review of project capacity to support the development of the refreshed Project Manager Network and the Project Hub
- Risk training delivered across the Council's key project groups: Senior Leadership Team, Directors, Heads of Service, project managers, and project personnel

4.10   The audit report identified 28 recommended corporate actions which following the work outlined in paragraph 4.8 have now been rated against current progress:

Assurance Rating	No.
1 - None	0
2 - Limited	4
3 - Reasonable	18
4 – Substantial	6

The full list of improvements and responses to corporate weaknesses identified in the audit report are detailed in Appendix 1.

4.11   **Current areas of focus**
Several areas are the focus of continuing improvement, as set out below:

a) Project capacity
Senior Responsible Officers (SROs) are required to establish the core project team and ensure that adequate resource is available to deliver the project, reducing any instances of single person dependency. This continues to be a risk however due to resource and financial pressures.

A review of project capacity has been on-going in 2021, with proposed changes to be implemented in line with the portfolio management approach improving resilience and ensuring capacity is focused in the right areas.

b) Retention of procurement documentation
Work remains ongoing regarding document retention, procurement and contract management. Implementation of the PMP will strengthen controls within this area.

c) Progress and performance reporting

The previous corporate highlight report template has been superseded by the PMP status reports. Specific performance measures are not detailed in these reports as the information needs to be tailored to the specific project, however they do include delivery, financial, and overall confidence assessments. Further work needs to be carried out to develop a range of more specific, detailed performance measures - in line with a wider review of service-based performance measures and the implementation of an outcome-based approach.

d) Document management

PMP now in use providing centralised document storage and templates. Several mandatory logs and registers are built into the platform (risk, issue, decision, benefits etc). SharePoint also provides an inbuilt version control history for all document changes. A decision log is in place for the PMO Board, and guidance on decision making within projects guidance is available on MiDerby.

Further work is required to ensure that documentation is suitably named, filed, and managed through version control. This training will be provided through the Project Manager Network training sessions.

4.12 **Project team learning**

As described in 4.5, the project team also carried out several lessons learned sessions as part of the project management process and good governance which identified the following themes:
   a.   Finance
   b.   Governance
   c.   Resources
   d.   Leadership and morale
   e.   Communication
   f.   Successes

As the sessions considered the whole project lifetime, they naturally identified similar development areas to the audit but also recognised the later significant improvements in delivery, including:

- Failing projects can be recovered if appropriate budget secured and stronger governance in place
- Adoption of LEAN processes, set clear objectives, create a strong team with ability to deliver to the targets
- Commitment and drive of a One Team Approach. This directly contributed to key achievements such as
   i)   the development of an appropriate programme and budget,
   ii)   the delivery to the revised programme and budget,
   iii)   addressing the significant challenge of construction and installation of the new bridge over the A52 using collaboratively developed working arrangements to comply with covid restrictions that were in force at the time.

4.13 From this, five key areas were identified that could improve delivery of future projects:

1. One Team Approach
2. Improve Governance, Support and Organisational Learning
3. Suitable and Sufficient Resource
4. Promotion of effective Early Contractor Involvement (ECI)
5. Adoption of a Building Information Modelling (BIM) Approach

1. One Team Approach
Several issues that arose during the project could have been either addressed more effectively or understood earlier if there had been a One Team Approach from the commencement of the project. Collaboration and whole project team ownership of issues enabled more effective delivery rather than individuals and organisations working solely within their own areas of responsibility.

2. Improve Governance, Support and Organisational Learning
These areas were also identified from the audit process and are detailed earlier within the report.

3. Suitable and Sufficient Resource
This clearly links to point 4.11 (a) above. Whilst being the responsibility of the SRO to establish a core team and adequate resources, there remain challenges in project delivery and appropriate available skills.

4. Promotion of effective Early Contractor Involvement (ECI)
Effective ECI is seen as industry best practice when delivering major infrastructure projects. Engagement between all parties before construction commences means that the identification and management of risks can be done collaboratively. This helps to establish good working relationships before challenges arise, increase understanding and align organisational goals. All parties can agree what success looks like, develop effective communication and other collaborative working arrangements.

5. Adoption of a Building Information Modelling (BIM) Approach
BIM is a scalable approach to enable more effective infrastructure project delivery as well as enabling more effective asset management of what has been built.

Example areas that a BIM approach to project delivery can improve include:
- clear processes for data exchange,
- effective awareness of the current project information,
- a single version of the truth, reduces the potential for design issues by identifying areas where designs from different disciplines don't align,
- Facilitates collaborative working arrangements,
- establishes the data that is required at the completion of the project for effective future management of the asset and decision making,

Whilst being recognised as an area which has the potential for significant improvements in project delivery and asset management, BIM is not widely utilised within local highway authorities. Work is currently being developed within regional Highway Authority best practice groups such as the Midlands Highways Alliance Plus (MHA+) to understand the challenges involved and what strategies are available to implement these arrangements.

Public/stakeholder engagement

5.1   None directly arising from this report

Other options

6.1   Non applicable to this report

Financial and value for money issues

7.1   There are no financial implications as a direct result of this report. It should be noted that following the actions carried out to rectify delivery issues, and the wider improvements detailed in this report and the supporting documents, the A52 Wyvern Transport Improvements Scheme delivered its objectives on programme and detailed forecasting projects the project to be within budget.

7.2   Implementation of the lessons learnt findings have led to improvements in project oversight through the implementation of gateway reviews conducted by the Project Management Office (PMO) Board. As part of the gateway process project SROs and Project Managers are required to submit justifiable business cases and evidence strong project governance which are scrutinised by the Assurance Team and PMO Board. Significant issues identified with spend, governance or the business case is communicated back to the SRO, and where appropriate escalated to the Senior Leadership Team for further action.

Legal implications

8.1   None applicable to this report

Climate implications

9.1   None applicable to this report

Other significant implications

10.1   None applicable to this report

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	10/01/22
Finance	Amanda Fletcher, Head of Finance	10/01/22
Service Director(s)	Heather Greenan, Director of Policy, Insight and Performance	05/01/22
	Verna Bayliss, Director of Planning, Transport & Engineering	
Report sponsor		
Other(s)		

Background papers:	
List of appendices:	Appendix 1 – A52 Lessons Learnt Report