

Response to the Report of the National Assembly for Wales Audit Committee's Report on "The Senedd": Committee Report (3) 11-08

We welcome the findings of the report and offer the following response to the 4 recommendations in the report for which responsibility rests with the Welsh Assembly Government.

Recommendations

- 1 One of the reasons for the delay in finishing the Senedd, and subsequent cost overruns, was the delay in procuring Merlin. We recommend that, in major procurements, of this kind, the specification is sufficiently detailed – in terms of integrated systems, facilities and space requirements – to mitigate the potential for further changes and delay post contract**

Accepted. The approach to the procurement of major capital projects by the Welsh Assembly Government has continued to evolve, building upon lessons learned from previous experience. In the case of both the Aberystwyth and Llandudno Junction WAG office construction projects the Project Team have engaged with our IT providers at a very early stage to develop the strategic requirements and specification for server rooms, conduits/risers, cable runs etc as well as the more detailed design requirement for the provision of IT within the buildings.

- 4 The complexities of the project and the circumstances faced by the Assembly Government ensured that a number of lessons can be identified and applied to both public sector construction projects and the management of large-scale procurement projects within the Assembly Government. The Assembly Government should formalise the lessons learnt and incorporate them into the operational procedures of the organisation.**

Accepted. The lessons learnt are included in the Broadway Malyan Report. The importance of clear project management and delegation arrangements is a priority for Welsh Assembly Government capital projects and the need to choose the right form of contract for the desired outcome is well understood. These lessons are championed by Richard Wilson as Construction Programme Director. The three major WAG capital projects currently in the process of delivery are being managed using project management best practice methodologies and delivery mechanisms; the lessons learned on the Senedd project are being implemented. In addition, the reports on the Senedd by the Wales Audit Office and the Audit Committee itself are brought to the attention of Project Boards.

- 5 Further to this, and based on the experiences in procuring the Senedd and the buildings related to the relocation strategy, the Assembly should disseminate guidance, based on the Office of Government Commerce's (OGC's) Achieving Excellence in Construction, which can be used by the**

public sector in Wales. In particular, the Assembly Government should disseminate the use of good practice processes such as:

- Value engineering;
- Whole-life costing;
- Prince 2 project management methodology;
- Assembling project teams with the right mix of skills and personalities; and
- The use of appropriate procurement contracts.

Accepted. Guidance on the lessons learned is disseminated through a range of means. Value Wales, who lead for the Welsh Assembly Government in encouraging good procurement practice across the public service in Wales, have taken the lessons of the Senedd on board and refer to them regularly in their work. Estates & Projects Division, which is part of Value Wales, are currently working on a Internet Portal based on Construction Best Practice Guidance /Advisory publications. It will incorporate all the recommendations referred to in the Audit Committee's report and it is planned that the internet portal will be running by 31 March 2009. In addition, Richard Wilson is also the Chair of Constructing Excellence Wales and this forum serves to allow for dissemination of lessons across a wide range on organisations.

- 6 **The second phase of the Senedd project was generally successful – a notable achievement for such a large, complex project in the public sector. It is essential that valuable experiences gained over the course of the Senedd project are applied to the other accommodation projects currently being managed by the Assembly Government under its relocation strategy. We recommend that the Assembly Government provide a note to this Committee by the end of December 2008, setting out how the lessons learnt from the Senedd are being applied to the other building projects that it is managing.**

Accepted – A note will be prepared and sent to the Committee by the end of February 2009.