

Risk Number	RM14248					Date of update			25 May 2017		
Risk Name	Failure to construct and deliver Norwich Northern Distributor Route (NDR) within agreed budget (£179.5m)										
Risk Owner	Tom McCabe					Date entered on risk register			26 November 2015		
Risk Description											
There is a risk that the NDR will not be constructed and delivered within budget. Cause: environmental and/or contractor factors affecting construction progress. Event: The NDR is completed at a cost greater than the agreed budget. Effect: Failure to construct and deliver the NDR within budget could result in the inability to deliver other elements proposed in the Norwich Area Transport Strategy (NATS) Implementation Plan. It could also result in a reduction in delivering economic development and negatively impact on Norfolk County Council's reputation. Exceeding the budget will also potentially impact wider NCC budgets and its ability to deliver other highway projects or wider services (depending on the scale of any overspend).											
Original			Current			Tolerance Target					
Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Likelihood	Impact	Risk score	Target Date	Prospects of meeting Target Risk Score by Target Date	
3	3	9	4	3	12	2	2	4	Mar-18	Red	
Tasks to mitigate the risk											
The total project budget agreed by Full Council (November 2015) is £179.5m.											
1) Put in place a project Board and associated governance mechanisms . Monthly reporting to be provided to the Board (Chaired by Tom McCabe).											
2) Develop a project team to include sufficient client commercial scrutiny throughout the works by Balfour Beatty, which includes a commercial project manager.											
3) Main clearance works, archaeological investigation and utility diversions to start on 4 January 2016. This enabled main construction to start as planned in March 2016 with the aim to keep programme as short as possible.											
4) Assemble project controls and client team to ensure sufficient systems and staffing in place to monitor costs throughout delivery of project.											
5) Cost reduction opportunity, risk and programme management meetings to be held throughout the duration of the construction.											
6) Provide assurance of budget management governance through audits.											
7) Seek contract/legal advice on key contract cost risks as necessary.											
Overall risk treatment: reduce											
Progress update											

Progress update

- 1) The project Board is in place and monthly reporting on progress, cost and risk is being provided to the Board.
- 2) The project team is developed and includes client construction and commercial project managers who will provide scrutiny throughout the works. The contract is incentivised to focus the whole delivery team (client & contractor) to stay within the agreed budget.
- 3) Main clearance works, archaeology and early utility diversions have been delivered on programme (with the risks of environmental and archaeology constraints restricting progress now passed). However, whilst progress is good, there remained some pressures on programme, with Network Rail approvals taking longer than planned for the Rackheath Bridge – and this has created a significant delay to the project delivery programme at the eastern end of the scheme, impacting on planned opening of December 2017. Poor weather in June 16 also slowed progress, but whilst this has largely been recovered, there is still an associated budget impact. The impacts on budget (including land costs) are being continually reviewed and monitored and reported, but there is an ongoing risk to the overall budget.
- 4) Project administration controls and client commercial team are in place to ensure sufficient systems and staffing to monitor costs and contract information throughout delivery of project. This includes reviewing allowable costs and checking all payments and invoicing. Contract administration is managed through CEMAR software package.
- 5) Entire team are focussed on reducing costs and this is reviewed regularly, particularly in relation to any necessary contract changes and programme management.
A Special Projects Support Manager has been assigned to the NDR project to provide additional capacity on our commercial side – further capacity may be required.
- 6) A governance (delegated purchasing of land) audit and a contract variations audit to be carried out in the first half of 2017/18. Audit scope established and agreed to complete July 17.
- 7) Specialist contract advice has been requested to deal with specific project issues.