



Audit Committee

25 November 2019

Report of: Executive Director: Growth and Regeneration

Title: CRR11 – Infrastructure Delivery Risk - Update

Ward: Citywide

Officer Presenting Report: Nuala Gallagher, Director: Economy of Place
Rob Gilmore, Senior Programme Manager (Growth and Regeneration)

Recommendation

That this report is for the Audit Committee's information about progress made to mitigate and manage this Corporate risk.

Summary

This report provides information about the Corporate risk around Infrastructure Delivery, with a focus on services in the Growth and Regeneration Directorate. The report highlights the potential causes, summarises progress, and it sets out where further action is on-going to manage and mitigate these causes.

The significant issues in the report are:

Existing controls and mitigations have reduced the Risk Rating from 14 to Tolerance Risk Rating 7.



Policy

1. Not applicable.

Consultation

2. Internal

Chief Internal Auditor
Risk and Insurance Manager

3. External

Not applicable.

Context

4. Corporate Risk – Infrastructure Delivery (CRR11)

4.1 Risk Description:

Risk title and description “If the council fails to prioritise infrastructure investment and resources, has inconsistent policies and attitudes, and has no bargaining power regionally or with central government; there is a risk that inward investment will be reduced. It makes it difficult for the council to realise its strategic priorities, ensure assets are efficient and fit for purpose in meeting current and future demand and support development of the local area”.

4.2 Key potential causes:

- No clear strategic direction and objective(s) set for the Property estate.
- Services and resources (human and financial) that are not fully aligned and / or controlled to deliver the objectives.
- Failure to deliver the level of anticipated Capital Receipts.
- Leadership capacity, engagement and capability are insufficient to drive change and transformation within the council.
- Resources are poorly managed, short-term approach being adopted, or are not contributing fully to Council priorities, resulting in agreed outcomes and objectives not being fully achieved.
- Ineffective collection, integrity and use of data and information.
- Infrastructure condition and suitability of overall asset base is not being used or managed efficiently or effectively.
- Lack of joined up planning, decision-making and effective project management.
- Ineffective collection, integrity and use of data and information.
- Slippage in the delivery of the Capital Programme.
- Reduced public sector funding impacting on the resources available.
- Currently a more uncertain future due to Brexit.

4.2 Action taken to manage and mitigate the risk

Governance arrangements were established in early 2018 to ensure that there is rigour and robust management of Infrastructure Delivery and Investment. This includes:

The G&R Board identified a number of areas of growth and regeneration (AGR) across the City to enable place shaping including contributing to regeneration activity, affordable housing, community building and the financial sustainability of the Council. The AGR is regularly reviewed and re-prioritised by the G&R Board.

The Strategic Property Group (SPG) was established to enable the integration of thinking about property with financial, regeneration and other considerations and enhance reporting of asset disposal plans and progress . The SPG meets on a monthly basis.

In July 2019 the Corporate Leadership Board (CLB) / Capital and Investment Board was launched and meets on a monthly basis. The Board has an oversight and stewardship role for the delivery of the Council's capital expenditure within affordable limits, which will include both the Capital Programme and capital investments and provide strategic direction to the programme and projects where necessary.

4.3 Action being taken / next steps

The Operational Property Group (OPG) as a sub-group to the Strategic Property Group (SPG) was launched to unlock the value of assets, seek efficiencies through joint arrangements with public sector partners and maximise private sector investment. Actions are now being progressed through the work of the SPG and the OPG which will adopt a Corporate Landlord role to ensure the ownership of an asset and the responsibility for its management; maintenance and funding are transferred to a centralised corporate crosscutting group.

Asset Management specialist resource has been recruited to complete the work on the Asset Management Plan by March 2020. Progress is being monitored through the SPG.

The Growth and Regeneration Leadership Team has undertaken Capital Programme Workshops in August – October 2019 in order to review and re-prioritise the Capital Programme to ensure that this is realistic and achievable, and to reduce slippage (milestones and financial). This is reviewed on a monthly basis and a further Capital Workshop is planned in Quarter 4 (January – March 2020).

4.4 Risk Level

Risk level is 2 (likelihood) x 7 (impact) = 14 (risk rating)

Tolerance Risk level is 1 (likelihood) x 7 (impact) = 7 (risk rating).

Proposal

5. That the Audit Committee notes the actions that have been taken to date to mitigate and manage this Corporate risk.

Other Options Considered

6. None

Risk Assessment

7. This is a live risk on the Corporate Risk Register.

Public Sector Equality Duties

No implications

Legal and Resource Implications

Legal

<Consult Legal Division - relevant solicitor will provide a view which should be typed in here>

Legal advice provided by <Insert name and job title>

Financial

There are no new financial implications arising from the report.

(a) Revenue

<Consult Finance Division>

(b) Capital

<Consult Finance Division>

Financial advice provided by <Insert name and job title>

Land/Property

<Insert implications or “not applicable”>

Land/property advice provided by <Insert name and job title>

Human Resources

<Insert implications or “not applicable”>

HR advice provided by <Insert name and job title>

Appendices:

None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None