



**GREATER
CAMBRIDGE
CITY DEAL**

Securing future prosperity

Report To: Greater Cambridge City Deal Executive Board

13 October 2016

Lead Officer: Aaron Blowers – City Deal Project Manager

City Deal Strategic Risk Register

Purpose

1. To provide the Executive Board with an update on the City Deal Strategic Risk Register.

Recommendations

2. It is recommended that the Executive Board notes the position in regard to the Strategic Risk Register.

Reasons for Recommendations

3. This report contains the latest information regarding the City Deal Strategic Risk Register, including mitigating actions and control measures in place. This has been considered by the Programme Board to represent an effective and proportionate level of control.

Background

Risk Management Framework

4. As agreed by the Executive Board, strategic risks will be reported on a six-monthly basis with exceptions highlighted through the regular City Deal Progress Report item if there are any risks which are red after controls (red residual risk) or rapidly escalating risks. The Executive Board acts as the body that owns the Strategic Risk Register and holds officers to account for risk mitigation, advised by the Programme Board. There may be mitigations or controls needed that the executive Board will be asked to agree from time to time.
5. The City Deal partnership aims to manage risk effectively, eliminating or controlling risk to an acceptable level. This is done by identification, assessment and management of potential risks, rather than reaction and remedy to past events. The Strategic Risk Register therefore includes difficult risks that, if they were to occur, would have significant partnership and/or programme implications. However, the recognition of risks on the Strategic Risk Register should not be taken as concern that these risks are likely to occur – instead it should be taken as building on good programme and project management discipline to recognise risks early and to put in place measures to prevent them from occurring and/or to reduce the impact if they were to occur.

6. As set out in the Risk Management Framework, risk management takes place across the City Deal, with most of this taking place at a project level. The Strategic Risk Register therefore only contains the most significant and cross-cutting risks to the partnership and the overall Programme, with project-specific risks being managed within project-specific risk registers. The Risk Management Framework enshrines a clear process and responsibilities for escalating and cascading risks between the strategic and project-specific risk registers.

Risk scoring

7. The Strategic Risk Register includes both 'inherent' and 'residual' risk scores. It is important to recognise the distinction between these in order to see the risks in their proper contexts. The difference between these two scores can be summarised as:
- (a) Inherent risk score: The likelihood and impact of the risk occurring if nothing was in place to mitigate it. This acts as the starting point for risk management, with mitigating measures to be put in place.
 - (b) Residual risk score: The likelihood and impact of the risk occurring, recalculated to include the control measures and actions in place to mitigate the risk. Controls and actions should see the residual risk score reduced from the inherent risk score.
8. The key scores to consider are the **residual** risk scores, as these summarise the likelihood and impact of those risks occurring within the current contexts.

Considerations

9. The City Deal is potentially a £1 billion investment programme delivering significant infrastructure and working in partnership. Significant risk is inherent in an ambitious programme of this nature. However, it is important to note that the risks of 'doing nothing' - of not investing in the economic success of Greater Cambridge and not delivering the infrastructure needed to deliver the agreed development framework in the Local Plans and the transport strategy are greater.
10. The risks that have the highest residual scores, and therefore most warrant highlighting to the Executive Board, are:

No.	Risk	Owner	Residual		
			Likelihood	Impact	Total score
8	Public feedback and opinion on the City Deal programme is not demographically representative of the Greater Cambridge area as a whole, reducing the ability to understand the needs and priorities of the current and future population of Greater Cambridge.	Beth Durham	3	4	12
1	The opportunity to deliver the area's identified infrastructure needs and further economic and social benefits from them is lost because of an inability to access future funding due to a failure to achieve the triggers for future funding tranches. This could be as a result of inadequate delivery, Government considering Greater Cambridge a poor investment and/or unforeseen circumstances.	Tanya Sheridan	2	5	10

9	Difficulties in obtaining sufficient evidence to most effectively advise resource allocation and scheme prioritisation means that opportunities are missed to achieve the economic growth benefits needed for the area, to build support for the infrastructure investment programme and to unlock future funding.	Graham Hughes	2	5	10
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11. The details of these risks are shown in the appendix to this report, including control measures and actions to mitigate those risks.

Implications

12. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Risk Management

13. The risk management process seeks to identify any significant risks which might prevent the City Deal partnership from achieving its vision and objectives. This enables mitigation to be designed to control each risk, either to prevent the risk from occurring in the first place or, if it does, to minimise its impacts on the achievement of the City Deal vision and objectives.

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Appendix: Greater Cambridge City Deal Strategic Risk Register

No.	Risk	Inherent			Owner	Controls	Actions	Residual			
		Likelihood	Impact	Score				Likelihood	Impact	Score	Direction of travel
1	The opportunity to deliver the area's identified infrastructure needs and further economic and social benefits from them is lost because of an inability to access future funding due to a failure to achieve the triggers for future funding tranches. This could be as a result of inadequate delivery, Government considering Greater Cambridge a poor investment and/or unforeseen circumstances.	3	5	15	Tanya Sheridan	<ul style="list-style-type: none"> Regular meetings with Government officials, to monitor progress on delivering the City Deal. Infrastructure programme prioritised on the basis of economic impact. Robust project and programme management of infrastructure schemes to ensure delivery on track and on budget. Delivery of skills and housing aspects of the Deal Document to maintain focus on all commitments. Monitoring of emerging Devolution and City Deals. 	<ul style="list-style-type: none"> Identify and actively manage the risks involved in delivering the programme. Ensure strong PPM for the infrastructure programme. Procure an independent economic assessment panel, which will ultimately make recommendations for future funding allocations. Maintain a positive relationship with Government to ensure a shared understanding is maintained of what has been agreed and what will be implemented. 	2	5	10	↔
2	Failure of the partnership arrangement means that the agreement cannot be delivered.	2	5	10	Tanya Sheridan	<ul style="list-style-type: none"> Strong working relationships at an officer and lead Member level, backed by clear structures for partnership working. Programme Board and Chief Executives' Group provide opportunities to resolve issues that emerge before they threaten the relationships. 	<ul style="list-style-type: none"> Ensure that adequate forums exist for the resolution of differences of perspective in the spirit of partnership working. Ensure that wider Member and stakeholder engagement is effectively sought and channelled. 	1	5	5	↔
3	Delays to infrastructure investment are caused by legal challenges to individual projects within the City Deal infrastructure investment programme.	2	4	8	Graham Hughes	<ul style="list-style-type: none"> Good practice is followed in consultation and decision-making. Advice from Counsel is that City Deal infrastructure consultation approach follows good practice and is appropriate. 	<ul style="list-style-type: none"> Make appropriate provision for legal advice and use officer expertise to ensure projects are developed to minimise risks of successful legal challenge. Make sure that legal risks are thoroughly understood in infrastructure schemes to avoid the risk of successful challenges. 	2	3	6	↔
4	Failure to engage effectively across relevant stakeholder groups on the City Deal vision and discrete areas of business leads to weakening support for the City Deal and its associated benefits.	3	4	12	Beth Durham	<ul style="list-style-type: none"> Strategic Communications manager in post and Communications Group established for the Partnership. 	<ul style="list-style-type: none"> Prepare and manage delivery of a communications and stakeholder engagement plan. Raise awareness, understanding and support for the strategic vision and benefits. Ensure that opportunities to build public support and/or engagement are built into City Deal actions. 	2	4	8	↔
5	Inadequate recognition of interdependencies and/or knock-on impacts between parts of the programme lead to issues with delivery and/or lost opportunities for future-proofing.	3	3	9	Tanya Sheridan	<ul style="list-style-type: none"> Programme Board meetings ensure that interdependencies are recognised and considered; membership of key officer Boards picks up identified interdependencies between transport infrastructure and strategic planning and Smart technology and transport 	<ul style="list-style-type: none"> Track the interdependencies between parts of the programme. Recruit a City Deal Programme Strategic Manager. 	2	3	6	↔
6	Delivery on track and/or on budget jeopardised by delays in decision-making.	2	4	8	Tanya Sheridan	<ul style="list-style-type: none"> There is a consensus on the Local Plans and the Transport Strategy for Cambridge and South Cambridgeshire, as well as clear support for partnership working and for delivering much-needed infrastructure. 	<ul style="list-style-type: none"> Ensure that decisions and reports are grounded in the strategic context and are clear on what is needed to move forward at pace. Ensure that Key Members are adequately engaged in supporting scheme progress. 	1	4	4	↔

							<ul style="list-style-type: none">• Make sure that existing and new Board and Assembly members have sufficient briefing.• Further develop Change Control and communicate.				
7	The delivery of the strategic vision for the City Deal, and therefore wider economic benefits, is hampered by the predominance of short-term issues.	3	4	12	Tanya Sheridan	<ul style="list-style-type: none">• The Executive Board and Joint Assembly were established to build in a city-region-wide perspective to decision-making.	<ul style="list-style-type: none">• Ensure that the strategic is properly considered and effectively communicated throughout programme delivery.• Ensure consistency in communicating the wider vision across communications activity.	2	4	8	↔
8	Public feedback and opinion on the City Deal programme is not demographically representative of the Greater Cambridge area as a whole, reducing the ability to understand the needs and priorities of the current and future population of Greater Cambridge.	4	4	16	Beth Durham	<ul style="list-style-type: none">• Use of a range of media and forums across the Greater Cambridge area and of employer and residents' networks to disseminate messages.	<ul style="list-style-type: none">• Prepare and deliver an effective communications and stakeholder engagement strategy.• Prepare and deliver bespoke communications and stakeholder engagement strategies for discrete projects and test new approaches, e.g. use of social media.• Develop KPIs for representative sampling of City Deal consultations	3	4	12	↔
9	Difficulties in obtaining sufficient evidence to most effectively advise resource allocation and scheme prioritisation means that opportunities are missed to achieve the economic growth benefits needed for the area, to build support for the infrastructure investment programme and to unlock future funding.	3	5	15	Graham Hughes	<ul style="list-style-type: none">• Tranche 1 infrastructure investment programme prioritised according to evaluation of forecast relative impacts on housing and employment growth.• Tranche 2 prioritisation is expected to be agreed in 2017 using a similar and updated methodology.• The Assurance Framework agreed with Government contains the agreed process for evaluation of infrastructure schemes.	<ul style="list-style-type: none">• Procure an independent economic assessment panel, part of whose work will be to examine the available metrics and devise a methodology for economic assessment, from which further evidence can be drawn to inform decisions.• Ensure that recommendations made for investment are informed by comprehensive expert consideration of issues and evidence available.	2	5	10	↔
10	Opportunities to deliver wider economic benefits are missed as a result of relationships and/or resourcing issues limiting the extent to which the Executive Board and/or officers are able to engage with other organisations driving economic growth in Greater Cambridge.	3	3	9	Tanya Sheridan	<ul style="list-style-type: none">• The GCGP LEP is part of the partnership and nominates three members of the Joint Assembly.	<ul style="list-style-type: none">• Build and maintain relationships with key people and organisations working to drive economic growth; work with and through the LEP's network, particularly the network local to Greater Cambridge.	2	3	6	↔
11	Inability to recruit and retain sufficiently skilled and experienced staff throughout the City Deal programme negatively impacts on delivery.	2	4	8	Tanya Sheridan	<ul style="list-style-type: none">• Prompt recruitment to vacancies as they arise, prioritisation of effort based on impact on delivering the City Deal agreement	<ul style="list-style-type: none">• Consider staffing need across the City Deal partnership to deliver the City Deal.• Establish links with a range of organisations who might provide secondees.	1	4	4	↔
12	Inability to recruit and retain sufficiently skilled and experienced staff in the transport infrastructure programme workstream negatively impacts on delivery and/or distracts from strategic focus on sustainable economic growth for the area.	3	4	12	Graham Hughes	<ul style="list-style-type: none">• Prompt recruitment to vacancies as they arise, prioritisation of effort based on impact on delivering the City Deal agreement	<ul style="list-style-type: none">• Identify current and future resource needs and develop a resourcing plan.	2	4	8	↔
13	Insufficient capacity among consultants means that the demands of the infrastructure programme cannot be met in full, reducing the likelihood of delivering on time and/or budget.	3	4	12	Graham Hughes	<ul style="list-style-type: none">• The County Council has access to framework contracts that involve several different consultants that can be called upon.• Funding is available from the City Deal grant to bring in additional resource if necessary to deliver.	<ul style="list-style-type: none">• Horizon scan for potential bottlenecks in consultants' workloads; agree prioritisation as necessary.	2	4	8	↔