

REPORT TITLE: MAJOR PROJECTS PROGRAMME REGISTER

AUDIT COMMITTEE

24 NOVEMBER 2016

PORTFOLIO HOLDER: Cllr Stephen Godfrey – Leader – Finance & Corporate Policy

REPORT OF HEAD OF POLICY AND PROJECTS

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WARD(S): ALL

PURPOSE

This report sets out the Council's Programme Risk Register. This contains the significant risks to the Council's programme of major projects, as assessed and scored by officers. This complements the risk register and risk management plan that is held for each major project individually, and forms part of the detail of the Corporate Risk 'Project and Programme Management'.

RECOMMENDATIONS:

1. That Audit Committee note the Programme Risk Register and raise any issues with the Portfolio Holder.

IMPLICATIONS:

1 COMMUNITY STRATEGY OUTCOME

- 1.1 Our programme of major projects will play a key role in delivering the Council's objectives as set out in the Community Strategy, depending on the nature of the project.
- 1.2 The effective handling of risk in relation to our Programme will also help the Council achieve its objective in the Community Strategy of being an Efficient and Effective Council, particularly through the management of resources across the Council needed in order to progress projects whilst delivering services.

2 FINANCIAL IMPLICATIONS

- 2.1 None

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The appointment of a strategic Procurement Officer will help manage both programme and project risk by advising on procurement routes and providing support to project teams.

4 WORKFORCE IMPLICATIONS

- 4.1 Additional resource has been approved to support the programme of major projects and resources to deliver individual projects are kept under constant review.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND EQUALITY IMPACT ASSESSMENT

- 6.1 N/A

7 RISK MANAGEMENT

- 7.1 Appendix 1 sets out the Council's Programme Risks and management actions that are in place or to be undertaken to address them.

8 SUPPORTING INFORMATION:

- 8.1 Appendix 1 sets out the latest Programme Risk Register and actions to manage the identified risks. This is an update from the Risk Register which

was presented to Cabinet (Major Projects) Committee in June. Where additional actions have been added these are identified in bold italics.

8.2 When Audit Committee last reviewed the Programme Risk Register in March, they requested that residual risk be added into the presentation, and this was included as of the June update.

8.3 The Programme Risk Register is reviewed on a monthly basis by the officer Programme Management Group, and is supported by individual project risk management plans.

9 OTHER OPTIONS CONSIDERED AND REJECTED

9.1 N/A

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2805(MP) Major Projects Programme Risk Register – 6 June 2016

AUD144 Major Projects Programme Risk Register – 10 March 2016

CAB2730(MP) Local Partnerships Review of Programme Management – Update – 5 October 2015

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Programme Risk Register

Risk Ref: PMR001	Risk Score November 2016: Likelihood= Unlikely Impact = Major		Previous Score: Likelihood = Likely Impact = Significant	Risk Owner: Assistant Director (Policy & Planning)
Risk Title: Programme resource				
1. What might go wrong?	2. What will happen?	3. Likelihood and Impact	4. What do we do about it	5. Likelihood and Impact following management action (Residual Risk)
<ul style="list-style-type: none"> Poor understanding of resource needs of projects and programme 	<ul style="list-style-type: none"> Projects are under resourced leading to delay or failure 	Likely <i>Significant</i>	<ul style="list-style-type: none"> Monthly review of programme plan and resource requirements by Project Office and Programme Management Group including scrutiny by Leader and relevant Cabinet Members feeding into PMT Regular review by Head of P&P/HoL&DS/HoF /AD (R&E) of forthcoming requirements of projects which will require input from these teams. Development of business cases at project inception stage takes full account of resources needed throughout lifecycle of project (this is being implemented and the best practice 5 Cases model is being used for Station Approach, Leisure Centre and City Offices projects) Identification of critical success factors of projects in order to fully understand resource needs and potential benefits A Capital Strategy Board has been created to coordinate the creation of the annual Capital Programme and to oversee the development of Business Justification Cases and Business Cases for new projects. The Board first met in October. Work is underway to assess what is needed from a strategic Procurement Officer post and how the role can support procurement within Major Projects. 	Unlikely <i>Significant</i>
<ul style="list-style-type: none"> Lack of co-ordination of multiple and cross-cutting project 	<ul style="list-style-type: none"> Tension between projects and resources required to deliver them leading to potential 	Likely <i>Significant</i>	<ul style="list-style-type: none"> Use of Sponsor and Executive roles, this has been reviewed and new arrangements implemented Regular review of programme plan and resource 	Unlikely <i>Major</i>

requirements	duplication of work, pressure on resources and inefficient use of budget to procure external support		requirements by Project Office, PMG, Head of P&P/HoL&DS/HoF and PMT	
<ul style="list-style-type: none"> Lack of expertise in key specialist areas 	<ul style="list-style-type: none"> Increased expenditure on external consultants Potential error or delay in project delivery 	<p>Likely <i>Significant</i></p>	<ul style="list-style-type: none"> New enhanced budget provided from April 16 to provide external support as required. Individual project budgets will also consider the need for specialist support as projects are initiated and at key stages as they progress. Regularly review staffing levels and expertise to feed into training programme and salary budget. Training programme for project management/ business case development and more specialised training has been initiated. Work is underway to assess what is needed from a strategic Procurement Officer post and how the role can support procurement within Major Projects. 	<p>Unlikely <i>Major</i></p>
<ul style="list-style-type: none"> Lack of resource in key teams for delivering projects 	<ul style="list-style-type: none"> Project delay Insufficient governance in place Negative impact on staff and their wellbeing due to unreasonable workload demands placed on existing resources 	<p>Likely <i>Significant</i></p>	<ul style="list-style-type: none"> Regularly review staffing levels, considering fixed term contracts and procuring external support. Effective prioritisation of workload, informed by Member prioritisation of programme utilising Leaders Board. Making sure that initiation processes or new projects are followed and in new projects are agreed then the resource implications are considered. A new Barton Farm Implementation Officer is in post and once the s106 agreement is confirmed for North Whiteley, an implementation officer will be recruited for that MDA. Additional resources in Planning Management have been secured to support major projects planning applications. Two fixed term Project Manager have been appointed to support Station Approach, the replacement Leisure Centre and Central Winchester Regeneration. 	<p>Unlikely <i>Major</i></p>
<ul style="list-style-type: none"> Insufficient resources to 	<ul style="list-style-type: none"> Negative impact on constituent projects 	<p>Likely</p>	<ul style="list-style-type: none"> Robust prioritisation of major projects by Cabinet and PMT Maintain enough flexibility to cope with additional projects 	<p>Unlikely</p>

support the programme due to additional projects being introduced that have not been assessed in light of the current programme's commitments	leading to delay	<i>Significant</i>	being added via the Major Projects budget. <ul style="list-style-type: none"> • A Capital Strategy Board has been created to coordinate the creation of the annual Capital Programme and to oversee the development of Business Justification Cases and Business Cases for new projects. The Board first met in October. 	<i>Major</i>
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Risk Ref: PMR002	Risk Score: November 2016	Likelihood= Likely Impact = Significant	Previous Score:	Likelihood = Likely Impact = Significant	Risk Owner: Assistant Director (Policy & Planning)
Risk Title: Project slippage					
5. What might go wrong?	6. What will happen?	7. Likelihood and Impact	8. What do we do about it		Likelihood and Impact following management action (Residual Risk)
<ul style="list-style-type: none"> • Projects within the programme slip on timescale or budget 	<ul style="list-style-type: none"> • Negative impact on other projects or the programme overall 	<p>Likely</p> <p><i>Significant</i></p>	<ul style="list-style-type: none"> • Maintain programme plan • Regular review at PMG • Adequate resources assigned to projects <p>NB slippage of some projects is inevitable due to a number of factors and due to the nature and complexity of the project. Contingency will be built into programmes in order to try to allow for this.</p>		<p>Likely</p> <p><i>Significant</i></p>

Risk Ref: PMR003	Risk Score November 2016: Likelihood= Unlikely Impact = Moderate	Previous Score: Likelihood = Unlikely Impact = Moderate	Risk Owner: Assistant Director (Policy & Planning)	
Risk Title: Programme impact on Council business				
9. What might go wrong?	10. What will happen?	11. Likelihood and Impact	12. What do we do about it	Likelihood and Impact following management action (Residual Risk)
<ul style="list-style-type: none"> Formal decision points in constituent projects are not co-ordinated 	<ul style="list-style-type: none"> Committee agendas are overloaded and other committee business is delayed 	Unlikely <i>Moderate</i>	<ul style="list-style-type: none"> Review of the programme plan by PMG, then referred to PMT for Forward Plan discussions 	Unlikely <i>Moderate</i>
<ul style="list-style-type: none"> Resource to support projects is taken away from services and not backfilled or managed 	<ul style="list-style-type: none"> Negative impact on other Council services / duties 	Likely <i>Significant</i>	<ul style="list-style-type: none"> Regular review at PMT led by Assistant Directors Effective project and programme planning Project resource needs fed in to service planning <p>It is likely that some residual risk remains due to various uncertainties in relation to unforeseen events and other unplanned requirements on the Council and its services. .</p>	Likely <i>Moderate</i>

Risk Ref: PMR004	Risk Score November 2016: Likelihood= Unlikely Impact =Significant	Previous Score: Likelihood = Likely Impact = Significant	Risk Owner: Assistant Director (Policy & Planning)	
Risk Title: Political leadership				
13. What might go wrong?	14. What will happen?	15. Likelihood and Impact	16. What do we do about it	Likelihood and Impact following management action (Residual Risk)
<ul style="list-style-type: none"> Change in political direction/leadership 	<ul style="list-style-type: none"> Priorities may change 	Likely	<ul style="list-style-type: none"> Retain flexibility in order to cope should this occur Maintain good communications with both main parties 	Unlikely

		<i>Significant</i>	<ul style="list-style-type: none"> • Review of the Community Strategy will provide clear direction for prioritising current programme and future projects. To be agreed February 2017 • 	<i>Significant</i>
<ul style="list-style-type: none"> • Programme undergoes changes, delay or elements are not delivered 	<ul style="list-style-type: none"> • Negative impact on reputation of the Council • Negative reputation has an adverse affect on other projects due to lack of confidence in the Council by external partners 	<p>Likely</p> <p><i>Significant</i></p>	<ul style="list-style-type: none"> • Programme of major projects is regularly discussed at Leader's Board as well as Leader briefing before PMT. • Enhanced Communications capabilities in order to be proactive as well as reactive. LGA review of Communications and Engagement will provide recommendations to support this. • Communication plans developed a part of all projects. • Positive relations with existing and potential partners are maintained 	<p>Unlikely</p> <p><i>Major</i></p>

Risk Ref: PR005	Risk Score November 2016: Likelihood= Unlikely Impact = Major	Previous Score: Likelihood = Unlikely Impact = Major	Risk Owner: Head of Policy & Projects	
Risk Title: Community engagement				
17. What might go wrong?	18. What will happen?	19. Likelihood and Impact	20. What do we do about it	Likelihood and Impact following management action (Residual Risk)
<ul style="list-style-type: none"> • Inadequate communication / consultation with the community 	<ul style="list-style-type: none"> • Public opinion of one project has a negative impact on the programme causing delay or the cessation of programme elements. 	<p>Likely</p> <p><i>Significant</i></p>	<ul style="list-style-type: none"> • Ensure the programme and individual projects have clear stakeholder engagement strategies ensuring that a representative sample of residents are engaged. • Corporate Communications representation on projects and on PMG • Up to date and timely information held on the website • Review of Communications team implemented 	<p>Unlikely</p> <p><i>Significant</i></p>

			<ul style="list-style-type: none"> • Ensure adequate feedback is communicated to the public following consultation • <i>LGA Review of Communications and Engagement undertaken and recommendations made to review Communication Strategy (January 2016). Principles for community engagement will be linked to this as will a review of the Council's Statement of Community Involvement.</i> 	
<ul style="list-style-type: none"> • Consultation does not give us a clear majority view as to what the community want 	<ul style="list-style-type: none"> • Unable to establish a consensus with the community following consultation • Polarised viewpoints from the community means that unpopular decisions will be made where members of the public potentially feel that they have not been listened to if they do not agree with the outcome 	<p>Likely</p> <p><i>Major</i></p>	<ul style="list-style-type: none"> • Ensure that consultation is clear as to what is being asked and what can be affected as a result • Provide clear and transparent feedback to those who have taken part in the consultation, setting out what will and what will not change as a result of the consultation • Ensure that we have clear leadership from Members • <i>LGA Review of Communications and Engagement undertaken and recommendations made to review Communication Strategy (January 2016). Principles for community engagement will be linked to this as will a review of the Council's Statement of Community Involvement.</i> 	<p>Likely</p> <p><i>Moderate</i></p>
<ul style="list-style-type: none"> • A number of construction projects are on site at the same time 	<ul style="list-style-type: none"> • Significant disruption within Winchester town, negatively affecting residents, the business community and visitors. 	<p>Unlikely</p> <p><i>Significant</i></p>	<ul style="list-style-type: none"> • Regular review of programme plan to avoid such problems • Better understanding of issues by Project Boards and Executives • Use of Implementation Officers to manage these issues • maintain good dialogue / relationship with HCC 	<p>Unlikely</p> <p><i>Significant</i></p>

Risk Ref: PR006	Risk Score November 2016:	Likelihood= Likely Impact = Major	Previous Score:	Likelihood = Likely Impact = Major	Risk Owner: Assistant Director (Policy & Planning)
Risk Title: Partners					
21. What might go wrong?	22. What will happen?	23. Likelihood and Impact	24. What do we do about it		Likelihood and Impact following management action (Residual Risk)
<ul style="list-style-type: none"> A number of projects require the input of key partners such as HCC or the Environment Agency at the same time. 	<ul style="list-style-type: none"> Negative impact of partners and their ability to deliver on multiple projects. 	<p>Likely</p> <p><i>Significant</i></p>	<ul style="list-style-type: none"> Maintain a good relationship with partners Regular review and coordination of programme plan Maintain in house expertise in order to provide intelligent client input to assist and to ensure schemes developed to reduce input from external partners if possible 		<p>Likely</p> <p><i>Major</i></p>
<ul style="list-style-type: none"> A key external partner's position changes with regard to a joint project 	<ul style="list-style-type: none"> Project resources become uncertain Ability of project to realise benefits may become uncertain Project becomes unviable 	<p>Likely</p> <p><i>Significant</i></p>	<ul style="list-style-type: none"> Clear understanding is secured of partners' motivation for their involvement in the project, so if the parameters of the project change these can be reviewed against the implications for partners. 		<p>Likely</p> <p><i>Major</i></p>

Key to acronyms:

PMT	Performance Management Team
PMG	Programme Management Group
HoP&P	Head of Policy & Projects
HoL&DS	Head of Legal & Democratic Services
HoF	Head of Finance
AD(R&E)	Assistant Director (Regeneration & Estates)

HCC

Hampshire County Council