WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE – 24 MARCH 2010

REPORT OF THE DIRECTOR OF LAW, HR & ASSET MANAGEMENT

STRATEGIC ASSET REVIEW – RISK REGISTERS

1.   EXECUTIVE SUMMARY

1.1   This report responds to Members' request for presentation of the risk registers in place for the Strategic Asset Review. It explains how risk is managed for the activities within the programme and presents the risk register for Office Rationalisation for Members' consideration.

2.   BACKGROUND

2.1   At its meeting on 18 January 2010 the Committee asked that the risk registers in place for the Strategic Asset Review be presented as a case study for consideration at the next meeting of the Committee.

2.2   The Strategic Asset Review (SAR) is one of the sub-programmes within the Council's Strategic Change Programme. On 23 April 2009 Cabinet received a report on progress with the Strategic Change Programme, and this explained the governance arrangements being adopted.

2.3   Project management of the SAR (as with the other elements of the Strategic Change Programme) follows the Council's agreed approach to project management. A programme Board has been established for the SAR and its members are Bill Norman (Chair and Programme Manager), Alan Stennard and David Smith. The programme mentor is Steve Maddox.

2.4   Within the programme individual projects were identified as follows:
   • Service rationalisation
   • Asset improvement
   • Community asset transfer
   • Office & administrative buildings review (now 'Office Rationalisation')
   • Disposal of surplus assets
   • Regeneration of Seacombe Village

2.5   Each of these projects in turn had a nominated project manager.

2.6   As work on the SAR has progressed, so an appropriate degree of organisation, control and documentation has been applied to each of the projects.

2.7   Service Rationalisation (dealing with the previously proposed library closures) and Asset Improvement came together into a project called Reprovision – Neighbourhood Centres. This and the Office Rationalisation Project formed complex undertakings requiring a higher degree of project management structure and formality than the other projects. For both of these projects a Project Initiation Document was developed with an initial risk register in each that is subject to further development.

2.8   The Community Asset Transfer and Disposals projects are being managed on the basis of case management at a service level, without the need for Project Initiation Documents and a formal project management structure.

2.9   The Regeneration of Seacombe Village project is being dealt with on a 'task and finish' basis. A report will be presented to the SAR Board at the conclusion of the work and this will then be followed by a report to Cabinet. Again, there is no Project Initiation Document or formal project management structure.

2.10   Progress on all projects is monitored at regular intervals by the SAR Board and any emerging issues are escalated to the Council's Strategic Change Programme Board.

2.11   This approach has been agreed at the SAR Board and endorsed by the Project Assurance function within the corporate Strategic Change Programme.

2.12   The Neighbourhood Centre project has been stopped. This followed the Cabinet decision to revoke the previously approved programme of library closures and cease the development of Neighbourhood Centres. This leaves three projects being overseen by the SAR Board – office rationalisation, community asset transfer and disposals. Of these, only office rationalisation has a formal risk register in place.

3.   OFFICE RATIONALISATIONRISK REGISTER

3.1   The risk register for office rationalisation is attached.

3.2   This was developed at an early stage in the office rationalisation project, when the project initiation document was written. It takes the form of an initial risk assessment at project commencement, dealing with high level risks. The Risk register is a 'living document' and will evolve as the project is further developed.

3.3   Implementation of the Office Rationalisation project has been through five work streams. These are:

1.   Establishing an accurate baseline position for the costs and use of the selected administrative buildings.

2.   Developing a plan for future building use, focussing on physical requirements.

3.   Developing the authority's approach to agile working and provide a complete framework for implementation of workplace change.

4.   Examining facilities management arrangements, identify options for delivering savings and recommend a way forward.

5.   Implementing the agreed rationalisation plan.

3.4   There is an identified lead officer for each of the work streams and risks arising in their activities have been managed within the project, with any emerging issues escalated to the SAR Board.

3.5   The current project plan will shortly be reviewed. The project risk register will be reviewed and expanded at the same time. Some activities within the existing work streams have been completed whilst others will be further developed or additional activities added.

3.6   A key driver of this review will be the delivery of the business case for future accommodation provision that is being developed within work stream 2. This is being produced by EC Harris, a firm of specialist external consultants. Project risk will be a consideration within the business case. To date, EC Harris have facilitated an officer workshop that gave some preliminary consideration to general risks. They have commented that at this relatively early stage in the project cycle there was inevitably a degree of imprecision around key risks. However, the most significant risks to the project were identified as follows:

- While some departments are keen to embrace new work styles, there are key risks around mobilising the entire organisation for the extent of change that will be required;
- Achieving consensus around the proposed solution;
- Delivering a solution that represents value for money;
- Achieving agreement with other local service providers that could achieve better overall value; and,
- Developing a robust and appropriate communications strategy.

3.7   They recommended that the project is subjected to a full risk analysis at the appropriate time. The business case will identify risks relevant to the short listed solutions presented and factor these into the analysis.

4. CONCLUSION

4.1 Management of risk within the SAR programme is taking place on an appropriate and proportionate basis within each of the remaining areas of activity. The Office Rationalisation project is a key area within the Strategic Change Programme where the levels of risk dictate that its management is more formally documented. It is suggested that the Committee may wish to receive a further report on risk within the Office Rationalisation project following approval of a business case for future office provision and the indicated associated review of the initial risk register.

5. FINANCIAL IMPLICATIONS

5.1 None arising directly from the report. However, the Strategic Asset Review programme is a key contributor to the delivery of savings within the Strategic Change Programme.

6. STAFFING IMPLICATIONS

6.1 None arising directly from the report.

7. EQUAL OPPORTUNITIES IMPLICATIONS

7.1 None arising directly from the report.

8. COMMUNITY SAFETY IMPLICATIONS

8.1 None arising directly from the report.

9. LOCAL AGENDA 21 IMPLICATIONS

9.1 None arising directly from the report.

10. PLANNING IMPLICATIONS

10.1 None arising directly from the report.

11. ANTI-POVERTY IMPLICATIONS

11.1 None arising directly from the report.

12. HUMAN RIGHTS IMPLICATIONS

12.1 None arising directly from the report.

13. SOCIAL INCLUSION IMPLICATIONS

13.1 None arising directly from the report.

14.   LOCAL MEMBER SUPPORT IMPLICATIONS

14.1   The report may be of interest to all members.

15.   BACKGROUND PAPERS

15.1   None.

16.   ASSET MANAGEMENT IMPLICATIONS

16.1   Successful delivery of the SAR will make a substantial contribution to the modernisation and rationalisation of the Council's asset base.

17.   RECOMMENDATION

17.1   That the report be noted.

Bill Norman
Director of Law, HR and Asset Management