



ADUR & WORTHING
COUNCILS

Joint Governance Committee
28 January 2020
Agenda Item 10

Ward(s) Affected: All

Major Projects Delivery Corporate Risk

Report by the Director for the Economy

Executive Summary

1. Purpose

- 1.1. To respond to the request from the Chairs of Governance Committee for the relevant officer to attend to discuss the risks around major projects identified in the Corporate Risk register; assess whether the risks were appropriately described; and actions being undertaken by the Officer.

2. Recommendations

- 2.1. To note the contents of the report.

3. Delivering Regeneration & Major Projects - Context

- 3.1. It is widely acknowledged that urbanisation and regeneration as a trend is set to continue. As the world's population grows, and more people are attracted to live in towns and cities either through necessity or desire, so too does the need for cities to keep pace providing the facilities and amenities to meet demand. Coupled with environmental, economic and societal challenges, towns and cities need to evolve and adapt at an even greater pace.

- 3.2. Successful places are responding to these challenges and taking the opportunities that are presented to them.
- 3.3. Towns are reimagining themselves and are fast becoming hubs for cultural and civic activity; drivers of research and innovation, attractive leisure destinations and compelling places to live and work. There is now a strong narrative as to the importance of regional towns, and how they contribute to the national economy.
- 3.4. Achieving such a change requires a concerted effort across the public and private sector. The delivery of new homes, offices and industrial premises, and the provision of leisure, cultural and retail facilities have diversified their offer and brought new life to town centres. The provision of new public spaces and significant investment in infrastructure underpins the creation of more attractive and accessible destinations. The towns that are embracing regeneration are finding renewed activity and purpose, resulting in positive changes for their economies.
- 3.5. Regeneration does not however happen overnight or in a silo. It happens in the context of a changing retail sector, stretched budgets (for both the public sector and private companies), and environmental and political imperatives for change. Securing a town's competitiveness is increasingly challenging. The market place is becoming crowded and places need to utilise their heritage and cultural identity to create compelling narratives for their future.
- 3.6. Delivering homes, infrastructure and jobs requires clear strategy but quick action, not least because the established patterns of development and inherited infrastructure present a further factor to which planning and delivery of regeneration and development must fit and respond. There are few blank canvases on which to work.
- 3.7. No less important but harder to quantify are the perceptions of a town. These can be just as important to those looking to invest, live or establish a business. Aligned to this is the need to create relationships and engage in diverse communities. These are as much a part of successful regeneration as the physical plans and investment.
- 3.8. As a result, bringing forward coherent approaches to regeneration and major project delivery, at the same time as navigating those

complexities, is no easy task. The factors that are influencing the approach are broad.

- 3.9. Setting the strategy, creating partnerships, focusing on outcomes and aligning resources are all important. The ability to combine the best of the public and private sector, the delivery of infrastructure and utilisation of new forms of investment to unlock sites are all essential to the reinvention of towns.
- 3.10. The inclusion of Major Projects Delivery on the Council's Corporate Risk Register is a recognition of the complex and complicated nature of delivering these projects.

4. Risk Management Arrangements

- 4.1. The Council's Risk and Opportunity Management Strategy 2018-20 sets out the Council's commitment to managing risk and opportunity in an effective and appropriate manner. Risks and Opportunities are split into three categories:
 - **Corporate** - These are Risks and Opportunities which relate to the long term goals of the Councils. These tend to be medium to long term but some may feature for a shorter period of time because of a significant event or planned business activity. Inclusion of a Risk or Opportunity in the Corporate Risk and Opportunity register indicates that it is one of a number of Risks/Opportunities that the Councils need to be aware of and ensure appropriate management arrangements are in place to manage/mitigate them.
 - **Service**. - These are Risks and Opportunities which relate to the day to day operations of each individual service. Service Risks and Opportunities should also link to each Service area's Business Plan. Service Risks will also be identified as part of the business continuity process. As part of these business continuity processes, each Service area will be required to complete a business impact analysis which will identify risks associated with its operation and the impact on business processes/activities and appropriate mitigation procedures that will be implemented. Local Service Business unit strategies will help to mitigate the risks.

- **Project** - These are Risks identified in connection with all major projects which the Councils undertake. These projects are run in accordance with appropriate project management guiding principles. Risks associated with major projects are those that if they occur will have an effect on at least one project objective.
- 4.2. The Risk and Opportunity register identifies Major Project Delivery as a corporate risk for the Councils as place-making, regeneration and development are important to the long term goals of the organisation.

5. Actions Taken to Manage Major Projects Delivery Risk

- 5.1. As described in Section 1 delivery of these major projects requires the Council to work in partnership with the private sector and wider stakeholders. While, responsibility for the Major Projects Delivery risk sits principally with the Head of Major Projects & Investment, management occur across the Economy Directorate and across the Council as a whole recognising that the response to the risk requires a multi-disciplinary approach bringing together perspectives from across planning, property development, infrastructure delivery and capital investment.
- 5.2. The Council has made a number of changes to its organisation and set-up to respond to the challenge which are summarised in the paragraphs below.
- 5.3. At a strategic level the Council's management structure includes the Director for the Economy who has overall oversight of the teams involved in regeneration and major project delivery. The Director role plays a key part in setting strategy, and working with private sector investors and other stakeholders to create a clear vision for the future. This has led to the development of a number of key strategy documents including:
- Adur Local Plan 2017
 - Shoreham Harbour Joint Area Action Plan 2019
 - Worthing Investment Prospectus 2016
 - Worthing Seafront Strategy 2018
 - Adur & Worthing Economic Strategy 2018
- 5.4. Along with the forthcoming Worthing Local Plan these documents combine to provide a clear strategy for the future development of

Worthing Borough and Adur District. The regular publication of the Building AW magazine seeks to ensure regular communication of these strategies and help build confidence and momentum in their delivery.

- 5.5. The Director for the Economy oversees three key service areas that have been designed to respond to individually and collectively to the challenge:
- The Major Projects & Investment Service brings together property development and surveying skills in a single team which oversees development, planning, and construction management skills in one team focused on delivering projects involving Council owned land such as Union Place, Adur Civic Centre redevelopments, Splashpoint, and the Worthing Integrated Care Centre.
 - The Planning and Development Team are crucial as each development proposal will require planning permission. Recent investment in delivering an advanced pre-application advice service, planning performance agreements, and the establishment of a team of case officers who deal solely with major applications are combining to ensure that projects successfully navigate the planning system.
 - The Council's Place & Economy team brings together a range of skills around business support, economic development, events, and marketing/place branding which are crucial to attracting investment and creating a high quality of life within Adur & Worthing.
- 5.6. The importance of the Major Projects delivery agenda is seen in other areas across the Council. The Council's legal team recognise this as a key area of focus and in their departmental structure a specific "Property and Contracts" team is in place to support property and development work. The Council's finance department have included these projects in the medium term financial strategy to ensure the resources are in place to deliver these projects. The Council's procurement team work closely with the Major Projects & Investment team to ensure that they can effectively procure development partners and construction contracts.

6. Financial Implications

- 6.1. There are no direct financial implications arising from this report. However individual projects or initiatives within the Major Projects will require funding via the Council's budgets. Allowances have been made within the Medium Term Financial Plan to fully fund known commitments.

7. Legal Implications

There are no direct legal implications arising from this report. However, early input from Legal Services is key to ensure that Major Projects work, including any risks and legal implications relating to a specific project, are identified at an early stage and appropriate legal advice can be given.

Background Papers

None.

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