

Report to:

AUDIT COMMITTEE

Relevant Officer:

Steve Thompson, Director of Resources

Antony Lockley, Director of Strategy (Assistant Chief Executive)

John Blackledge, Director of Community and Environmental

Alan Cavill, Director of Communication and Regeneration

Meeting

19 October 2023

STRATEGIC RISK REGISTER DEEP DIVE – PROJECT / PROGRAMME MANAGEMENT

1.0 Purpose of the report:

1.1 To consider a progress report on individual risks identified in the Council’s Strategic Risk Register in relation to Project/Programme Management.

2.0 Recommendation(s):

2.1 To consider the controls being implemented to manage the strategic risk relating to project / programme management.

3.0 Reasons for recommendation(s):

3.1 To enable the CLT and Audit Committee to consider an update and progress report in relation to an individual risk identified on the Strategic Risk Register.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council’s approved budget? Yes

4.0 Other alternative options to be considered:

4.1 None.

5.0 Council priority:

5.1 The risk impacts on all of the Council’s priorities.

6.0 Background and key information

6.1 At its meeting in March 2023, the Audit Committee agreed to continue to invite Strategic Risk Owners to attend future meetings to provide updates and progress reports in relation to the individual risks identified on the Strategic Risk Register.

6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 4(a) - Strategic Risk Register Deep Dive – Project / Programme Management

8.0 Financial considerations:

8.1 The controls being implemented will be done so within current budget constraints.

9.0 Legal considerations:

9.1 Risks need to be effectively managed in order to comply with relevant legislation.

10.0 Risk management considerations:

10.1 To enable CLT and Audit Committee to gain assurance that strategic risks are being effectively managed.

11.0 Equalities considerations and the impact of this decision for our children and young People::

11.1 Equality analysis should have been undertaken, where necessary, when decisions were made in relation to the identification of the actions identified in this document. As this report presents monitoring against pre-agreed actions, no further equality analysis has been undertaken as part of this report.

12.0 Sustainability, climate change and environmental considerations:

12.1 Sustainability, climate change and environmental matters should have been considered, where necessary, when decisions were made in relation to the identification of the actions identified in this document. As this report presents monitoring against pre-agreed actions, no further analysis has been undertaken as part of this report.

13.0 Internal/external consultation undertaken:

13.1 The progress report has been prepared in conjunction with risk owners.

14.0 Background papers:

14.1 None.

Appendix 4(a) - Risk Category: Project / Programme Management

Risk Appetite: Open

Risk: a) The Council fails to reduce carbon emissions across its operations and the town.

Risk Owner: Director of Strategy (Assistant Chief Executive), Director of Resources, Director of Community and Environmental Services

Gross Risk Score	25	Impact – 5	Likelihood – 5
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What impact does this have?

- Blackpool exceeds its 'fair' contribution towards the Paris Climate Change Agreement target of 1.5 degrees warming.
- Reputational damage to the Council if it does not take robust action to reduce carbon.
- Loss of biodiversity.

What opportunities does this create?

- Strong policies to cut emissions have associated health, wellbeing and economic benefits.
- Establish Blackpool as a leading player on sustainability and sustainable tourism.
- Preserve Blackpool's ecological and environmental heritage.

What controls do we already have in place?

- Rollout of corporate processes to ensure the systematic consideration of potential change impact of each area of the Council's activities when at the planning stage.
- Delivery of renewable energy generation projects across the Council's estate and town including large venues such as the Winter Gardens, Airport and the Sandcastle.
- Participation in, and leadership of, Lancashire County Council county deal environment work stream.
- Establish approach to engaging and communicating with the public, visitors and local organisations.
- Working group on biodiversity and associated issues e.g. Motion for the Ocean.

Net Risk Score	20	Impact – 5	Likelihood – 4
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What are we doing to further manage the risk?

Deliver inter-related actions in the Climate Emergency Action Plan to deliver carbon reduction and sequestration projects.

The council commissioned a Climate Assembly, made up of a representative cross-section of local people selected following a randomised invitation process. With participants spending around 12 hours in the process, the Assembly heard evidence from expert witnesses before deliberating on potential actions. The final report included a range of potential interventions which were then considered, with the majority of the actions subsequently being incorporated into the Council's Climate Emergency

Action Plan.

The Action Plan also considers a variety of other sources of evidence. Primary amongst these were four reports jointly commissioned with Lancashire County Council and Blackburn with Darwen Councils. These covered a potential pathway to Net Zero, which highlighted the key sources of emissions across the county and the balance of these in each borough; a review of the County's previous Environmental Action Plan; an overview of the potential capacity to generate renewable energy in Lancashire; and a report on Climate Resilience in Lancashire.

Ensure that the Council's energy management arrangements are robust.

A qualified Energy Management Team is in place with one member of the team, in particular, having a significant degree of in-depth technical expertise. The team have strong links with the energy sector and have regular meetings with the current providers.

An Energy Management System is in place which enables monitoring of the Council's energy usage at individual portfolio level and is used as a tool to alert any issues which may arise.

Whilst currently energy prices are heading in the right direction, there is still volatility in the market due to the issues surrounding Russia and also the fact that winter is on the horizon which sees an increase in demand for energy whilst compounding any supply issues. The Council has mitigated any impact of changing costs as far as possible by maintaining a level of flexibility in the prices it purchases energy for, balanced against locking in an element of its required supply, to ensure there is a risk based approach adopted.

An Energy and Utility Group is in place which is chaired by the Director of Resources and meets every two months. The Climate Emergency Steering Group reports to this group as part of the internal governance structure.

Climate Emergency Steering Group and Climate Action Partnership established to regularly develop and assess further projects.

The Director of Community and Environmental Services chairs the Climate Emergency Steering Group quarterly to discuss key projects, strategies and topics and to progress the climate action plan.

The Strategic Group, consisting of directors named in the action plan, also meet with the portfolio holder for climate change quarterly.

The Blackpool Climate Action Partnership met for a second time in December 2022 with some partners expressing a wish to continue discussions on specific projects outside formal meetings. The development of the partnership is an additional priority for the Climate Team later in 2023.

A Climate and Environmental Scrutiny is now in place which monitors the progress of climate related work.

Economic Prosperity Board joint work across the Fylde Coast on mitigation and adaptation.

The Council have worked to establish Green Growth as a new priority for the Blackpool, Fylde and Wyre

Economic Prosperity Board, and have delivered two workshops which have identified projects which can be progressed across Fylde Coast authorities.

Develop links to other relevant groups concerning coastal management and nature.

The Council is the Project Manager for the Dunes Project which is a natural flood risk management scheme. This has enabled the Council to network with all the core groups about the benefits of this scheme. In addition, the Wildlife Trust are supporting Wyre Borough Council on the development of schemes with their Innovation Resilience Fund and are following the Dune Project to learn from the scheme.

The Council are part of the Regional Coastal Flood Committee which has a levy of funding available for quick win projects. The Council has successfully bid for some of this money to implement small natural defence schemes such as placing a seeding roof on the new toilets at Stanley Park which runs into a lavender bed to improve the smell, and for improving flood risk management on a footpath in the Heron’s Reach area.

The Council also sit on the LGA Coastal Specialist Group which creates networking opportunities and shares best practice.

Target Risk Score	10	Impact – 5	Likelihood – 2
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What will these additional actions achieve?

The Council has already taken a number of actions in order to work towards the target with achievements including:

- Rolling out Blackpool Eco-Coaches programme after a successful programme on Grange Park Estate and Green Doctor town-wide initiative, supporting people to reduce energy costs and carbon emissions
- Retrofitting of Garstang Road West flats to improve thermal efficiency
- Delivery of 30 new council homes with Air Source Heat Pumps, solar panels and battery storage
- Successful trial of Electric Truck by Blackpool Illuminations
- Blackpool Airport Solar Farm at advanced planning stage

The primary commitments made in the Climate Emergency Declaration are to make the Council’s activities net-zero carbon by 2030, to achieve 100% clean energy across the Council’s full range of functions by the same date, ensure that all strategic decisions, budgets and approaches to planning decisions are in line with a shift to zero carbon by 2030, and to support and work with all other relevant agencies towards making the entire area net-zero carbon within the same timescale.

What barriers do we face?

Other than funding, and ensuring a balance between achieving the Council’s social and economic priorities whilst supporting the carbon reduction agenda, the primary internal challenge in delivering the agenda is staffing levels, recruitment and retention, and the capacity of other Directorates. After several attempts to recruit specialists with experience in the field proved unsuccessful, the approach shifted to recruit recent graduates and provide wrap-around career development experience and internal opportunities for progression. This has proved successful in attracting candidates, but demand

in the sector has created highly-paid and flexible opportunities elsewhere which are a constant drain on our talent, with significant amounts of working time lost as a result. One consequence of this is that we do not currently have a recent organisational carbon footprint and the whole-organisation approach we wish to take has been less extensive than planned.

Do these actions contribute to the sustainability of the Council?

The Council's Climate Emergency Declaration notes the impacts of climate breakdown around the world, and highlights the Authority has a duty to take action to address these issues, both for the health of the planet and given that the reductions of emissions are also associated with positive health, wellbeing and economic benefits.

Do these actions impact on the Council's finances?

It is estimated that it would cost approximately £1.5bn for Blackpool to achieve net zero and therefore work is needed to explore how the Council could bring in private funding to complement grants and the Authorities' own investment.

Tackling the climate emergency across Blackpool within the timeframe established in the action plan would require investment that is significantly beyond our means. Internally, a Climate Action Fund has been established to deliver key activity and fund supporting work.

Some external funding is available from the government and private sector, and work to prepare suitable projects aligned to the requirements of the funders continues.

Following the conclusion of the ERDF-funded project on Grange Park to support the de-carbonisation of @thegrange and the construction of low carbon homes, significant investment is being sought or planned to be sought via the Social Housing Decarbonisation Fund, Green Heat Networks Fund, and the Public Sector Decarbonisation Fund.

Blackpool is also leading across Lancashire on the delivery of the Home Upgrade Grant, with aims to deliver around 2000 air source heat pumps to households at high risk of fuel poverty across the County via the Cosy Homes In Lancashire scheme.

The government's Shared Prosperity Fund (SPF) is also being used to invest in the creation of an Eco Hub at Palatine Library, the town-wide extension of the successful Eco-Coaches project run by Groundwork on Grange Park, and a community flood risk reduction scheme to distribute water butts, reducing the impact on areas from heavy rainfall events. Further SPF funding will be used to reduce emissions from the scheme to provide new office space for emerging businesses in the centre of Blackpool ("The Edge") and support packages for local businesses to de-carbonise their operation.

In addition, most other external funding increasingly comes with a requirement to engage with sustainability issues, with the most prominent response to this being the Multiversity project. Funded through Town Deal and Levelling-Up Funding, the scheme is being designed to be carbon neutral in operation.

How does this contribute to the Council Plan?

The Council declared a Climate Emergency in June 2019 with the aim to make the Council's activities net-zero carbon by 2030.

Any links to other strategic risks?
Strategy, Finance, Property, Commercial

Any additional changes to this strategic risk?
New technology has the unintended consequence of creating other risks such as impact on insurance premiums and therefore ongoing work with the Council’s insurers is important to ensure that innovations are safe by design and reduce risk and liability as much as possible.

Risk: b) Climate breakdown causes an increase in sea levels and severe adverse weather events.

Risk Owner: Director of Community and Environmental Services

Gross Risk Score	25	Impact – 5	Likelihood – 5
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What impact does this have?
<ul style="list-style-type: none"> • Increased threat to human life from flooding, high winds and extreme heat. • Rising sea levels threaten the adequacy of Blackpool’s coastal defences. • Blackpool’s built infrastructure is unable to cope with more regular severe weather.

What opportunities does this create?
<ul style="list-style-type: none"> • Average temperature rise potentially raises interest in winter tourist economy. • Lobbying to change the basis of the financial calculations on which funding for defences is awarded. • Preserve Blackpool’s built environment, heritage, and infrastructure. • Work within planning legislation to strengthen adaptation of new buildings to climate breakdown.

What controls do we already have in place?
<ul style="list-style-type: none"> • Lead Local Flood Authority nominated person in place. • Local Flood Risk Management Strategy in place. • Multi Agency Flood Plans in place to respond to a major incident. • Coast Protection Strategy in place.

Net Risk Score	20	Impact – 5	Likelihood – 4
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What are we doing to further manage the risk?
<u>Work with other organisations to raise awareness and lobby for funding and behaviour change.</u>
Whilst the Climate Action plan primarily concentrates on actions to address climate mitigation i.e. reducing carbon-based emissions, the second major priority for the team this year is to establish a robust approach across the Council to climate adaptation. With the 1.5 degree Celsius target for peak global warming set by the Paris Agreement in 2015 increasingly at high risk of being breached, and the consequent increase in the frequency of extreme weather events, the Council needs to focus on short,

medium and long-term actions to fundamentally shift how we plan and build our town. As a result, we will present for approval Blackpool Council's first detailed Climate Adaptation Action Plan later this year which will seek to minimise the vulnerability of our services. This will be followed by a town-wide Adaptation Plan where we will link to other major stakeholders, and with other initiatives being undertaken at a county level.

The Council is an active member of the Lancashire Resilience Forum which look to develop plans to deal with major incidents which can include severe weather events which may increase as a result of climate change.

Work with the community to help residents prepare for potential flooding events.

A Flood Action Group is being established in Anchorsholme due to issues with flooding in the past. The purpose of this group is to help residents in the area better prepare for managing flooding to their property and in their area.

No other Flood Action Groups have been established at this stage however if a need was established and the local communities wanted to get involved then the Council is in a better position to engage and react to the creation of new groups.

Target Risk Score	10	Impact – 5	Likelihood – 2
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What will these additional actions achieve?

The aims of these actions helps to increase the resilience of the local community to deal with adverse weather whilst also ensuring that the Council continues to invest in core assets to help mitigate the risk. Key achievements to date include:

- Successful bids for further funding to support sea defence and coastal protection work.
- Development of Council Adaptation Plan with approval planned for late 2023.

What barriers do we face?

Resource is the key barrier given the scale of the programme.

Do these actions contribute to the sustainability of the Council?

All climate mitigation work undertaken helps to minimise the risk faced by the Council and its community due to climate change.

Do these actions impact on the Council's finances?

The Council has been successful in winning bids for external funding for key projects in the town. The Environment Agency have committed c£150 million for coastal protection work during the period of 2022 to 2027. This includes the beach nourishment scheme which relates to the retention of sand at the base of the sea defences to continue to provide protection for residential properties and the economic infrastructure.

How does this contribute to the Council Plan?

The delivery of these actions contribute to community and the economy.

Any links to other strategic risks?

Strategy, Reputational

Any additional changes to this strategic risk?

The focus is on ensuring that delivery of the core programme is a success and not diverting resources into other areas unless adequate employees are recruited to deliver and the work is of benefit to Blackpool.

A Scrutiny of Coastal Defences and Beach Nourishment took place in September and through this process there may be other considerations which need to be factored into future planning and risk management.

Risk: c) Failure to modernise transport network

Risk Owner: Director of Communications and Regeneration

Gross Risk Score	20	Impact – 4	Likelihood – 5
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What impact does this have?

- Unable to meet the requirements of the climate emergency.
- Loss of trade, reputation and confidence from residents.

What opportunities does this create?

- Improve the economy, accessibility and the environment.
- Improve transport infrastructure for the benefit of residents, businesses and visitors.
- Good parking infrastructure is part of the customer experience.

What controls do we already have in place?

- Road Asset Management Strategy in place which sets out budget requirements based on whole life costs following the Department for Transport Code of Practice.
- Highways Investment Group in place to review network capacity and regeneration of the town.
- A Parking Strategy for the town is in place.
- Significant investment has taken place in Highways with upgrading works including upgrading of bridges, Yeadon Way and Quality Corridors.
- Two wholly owned companies in place which support transport including Blackpool Transport Services and Blackpool Airport Operations Limited.
- Transport Policy team in place in the Communications and Regeneration Directorate with a delivery team in the Community and Environmental Services Directorate.

Net Risk Score	16	Impact – 4	Likelihood – 4
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What are we doing to further manage the risk?

Complete the tram extension at Blackpool North Station and start delivering a service up the new

track.

It is planned to start operating the new tram service to Blackpool North Station by Spring 2024.

Deliver the programme of road works around the Enterprise Zone to improve access to the area.

The first stage highway works at the Division Lane Junction were completed in June 2023.

Planning consent for the main highway is in place with Early Contractor Involvement (ECI) underway and a contract being let this Autumn with a forecasted January 2024 start date on a 12 month build.

A planning application has been submitted to Fylde Borough Council for the Airport East highway in August 2023.

Delivery of additional car parking to commence in line with the Parking Strategy and taking account of the need for EV charging points.

The Council is currently acquiring sites in order to facilitate the additional car parking requirements that have been identified in the Parking Strategy around Talbot Gateway. EV charging points are being provided in the new parking areas, where feasible, following consultation between departments including the Climate Action team in the Council's Corporate Delivery Unit and in line with the EV charging strategy.

The council adopted an Electric Vehicle Strategy in February 2023, covering the period until 2028. Delivery of the strategy is reliant on accessing LEVI funding, which is divided into "capability" (revenue) funding and capital funding. A total allocation of £360k of capability funding has been spread over three years, until 2024/25. This is intended to ensure sufficient staffing resource is available for the project. The Council has been notified that it is in Tranche 1 for LEVI Capital funding, which requires the submission of an application form by November 30th 2023. £1.7million has been pre-allocated which is expected to leverage in additional private sector investment. The Council's preferred model for delivery is to use Residential Charging Sites (RCS). These "hubs" would be primarily sited on existing Council car parks across the borough, including those associated with sites providing specific services. Arrangements would be made for the charging to be accessible 24 hours with additional provision for adequate lighting and security measures such as CCTV.

Assess findings for South Fylde Line and Fleetwood to Poulton Line with partners and seek to secure funding for construction once schemes agreed.

This review has been formally held pending further announcements from the Department for Transport.

Deliver the ZEBRA project which will see significant works at the depot and the introduction of a carbon neutral bus fleet.

BTS carried out a re-appraisal of the submitted business plan and found that due to significant cost increases, it was not viable. Therefore, changes to the original plans are being proposed and BTS is considering its response to the situation to ensure that a financially viable solution is found.

Work is ongoing at Rigby Road depot to reorganize the layout of the depot. The depot site is now being reconfigured and contractors are on site. A shortage of steel delayed things, but this has now been resolved.

Further work is required to ensure that there is a sufficient electricity capacity at the depot and then to commission, install and maintain the charging infrastructure and this has yet to go out to tender.

A tender exercise is currently underway to procure the electric buses. It is likely to be November 2024 for the first buses to be on the street.

Target Risk Score	8	Impact – 4	Likelihood – 2
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What will these additional actions achieve?

Further improve the transport infrastructure to the benefits of residents, businesses and visitors.

What barriers do we face?

Reliance on other stakeholders and access to further funding are the key barriers to implementation. In addition, the current economic climate with rising inflation resulting in cost increases creating difficulty in delivering schemes on budget.

Current ownership and usage levels of EV's in Blackpool are unlikely to support the delivery of a viable business model for charging in the short term, meaning that the policy objective of minimising the cost of public charging to residents is more difficult to achieve.

Do these actions contribute to the sustainability of the Council?

Where possible environmental modes of transport are being encouraged through better public transport options and also the provision of EV charging points to increase the network available for electric vehicles. The EV charging model will assist in the decarbonisation of staff travel via the availability of public chargers at our sites across the borough.

The transfer of jobs into Talbot Gateway, which includes the transport hub, will also increase sustainability in terms of economic growth and increased use of public transport.

Do these actions impact on the Council's finances?

Each of the developments come at a cost and therefore it is important that the Council continues to access external funding sources where available.

How does this contribute to the Council Plan?

The delivery of these actions contributes to both community and economy.

Any links to other strategic risks?

Strategy, Governance, Commercial

Any additional changes to this strategic risk?

Not at this stage however the challenges with EV and other environmentally friendly modes of transport is an evolving area.

