

## Appendix C - High Level Directorate Risks

Risk Title	Current Risk Rating	Target Risk Rating	Target Reduction Date
Delivery of phased programme of well-maintained highway asset and public realm	C2 (possible/ significant)	D3 (unlikely/ moderate)	22/23 <i>(subject to confirmed continued future investment)</i>
<b>Risk:</b> Investment levels do not meet steady state / improving asset levels			
<b><u>What we've done / are currently doing to achieve the Residual Risk Rating</u></b> <b>Funding</b> <ul style="list-style-type: none"> <li>• An investment plan (Highways Asset Investment Strategy - HAIS) has been communicated to Cabinet to achieve steady state by 2022/23.</li> <li>• Increased GCF investment has been achieved for a number of years now, supplemented by WG Public Highways Refurbishment grant (£5.2M 18/19 -20/21), with £1.715M allocated in 21/22. However, future years indicative budgets reduce to a lower level than the HAIS required for 'steady state', hence still risk of deteriorating asset going forward - risk is very likely to increase again unless further funding is secured to maintain steady state.</li> <li>• FRM funding has reduced placing further pressure on existing budgets when considering the management of a deteriorating asset.</li> <li>• Future maintenance of City Centre/ Cycleway schemes flagged as part of MTFP - £125K in 23/24 &amp; 24/25 currently allocated</li> <li>• Covid 19 impact - budgets &amp; contracts modified/ funding re-purposed to seek best value e.g. footway renewal funding re-allocated in 20/21 to resurfacing due to concerns around delivering footway works with social distancing measure in place.</li> </ul> <b>Programme &amp; Monitoring</b> <ul style="list-style-type: none"> <li>• Projects such as LED street lighting investment and infrastructure projects being delivered to improve the position.</li> <li>• Residential LED streetlighting to be rolled out across the city, which will enhance the asset of street lighting, as columns and other concerns will be addressed as part of roll-out – (see REF)</li> <li>• A48 Barriers replacement to address issues highlighted in report - design now progressing following procurement and covid delays</li> <li>• Eastern Avenue Street lighting and cabling replacement - design now progressing following procurement and covid delays</li> <li>• AMX asset management is in place for assets and information on assets is being collated so asset data and performance is held for informed decision-making, allowing investment in key areas.</li> </ul>			

- Patching and Preventative Treatment programme is supporting the delay of investment in highways assets. However, this is not a replacement to steady state investment.
- Issue around Tree Cutting (A4232 & A48 has substantial overgrowth of trees causing H&S related issues for all users) – responsibility for tree maintenance lies with Parks Services in Economic Development. Risk has been highlighted to them, however ash tree die-back (of which some of these trees will be included) is taking priority at present No additional funding allocated, therefore risk remains.
- Monitoring taking place to achieve steady state target 2022/23

### **What we plan to do to meet target**

#### **Funding**

- Funding pressure bids have been submitted to support longer term financial model to maintain steady state (capital & revenue/ FRM) - will continue to liaise with corporate finance as part of the 22/23 budget setting process - outcome Feb 2022
- Review/ assessment to be undertaken re MTFP to determine impact of Capital Schemes & future maintenance requirements (high end materials & related assets)
- Issue around Tree Cutting to be re-raised with Parks Services in Economic Development and Corporate Finance

#### **Programme & Monitoring**

- Programme of new C/way & F/way works have been tendered, high speed route programme has been delivered to improve overall condition and resilience. Extensive preventative treatment programme commenced in September and will continue through to completion, possibly in early 2022, weather dictates progress. Preventative footway programme and further resurfacing programmes to be let during the year.
- A48 Barrier design to be completed and works tendered - design process nearing completion in view of tender during 21/22
- Eastern Ave S/L design to be completed and works to be tendered
- Work to continue looking at how Developments and projects can support improving highway assets

#### **Key indicators/ measures:**

- Condition related data
- Continued asset management / appraisal
- Complaints/dissatisfaction of stakeholders

Risk Title	Current Risk Rating	Target Risk Rating	Target Reduction Date
Metro	D1 (unlikely/ major)	E3 (very unlikely/ moderate)	23/24 once business cases are finalised
<p><b>Risk:</b> Risk of the specification for the Metro within the Wales &amp; Borders Rail Franchise not accounting for the full scope of improvements needed to support improved rail, light rail or tram services and access in Cardiff</p>			
<p><b><u>What we've done/are currently doing to achieve the Residual Risk Rating</u></b></p> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Close liaison with senior officers in the Welsh Government (WG), Transport for Wales (TfW) and Local Authorities (LA's) in the Region</li> <li>• Working relationships with the Cardiff Capital Region City Deal, TfW and WG have progressed, enabling agreement on investments in the Central Interchange Transport Hub and Central Station.</li> <li>• Strategic Programme Board established with associated working groups - for governance and working relationships with City Deal Partners, WG, TfW and appointed Franchise contractor Keolis Amey.</li> <li>• Overarching business case for the Metro, including the Cardiff Core Metro/Cross-rail, is being developed</li> <li>• Continued engagement with non-statutory Cardiff City Region Transport Authority as part of the City Deal at Member and Officer levels.</li> <li>• Working groups with TfW and TfW Rail have been established to progress the preparation of business cases for improvements to stations, new stations and line extensions in Cardiff.</li> <li>• Discussions on feasibility/ timescales of aspirations are continuing, working towards a programme of delivery.</li> <li>• Key studies currently being progressed include: <ul style="list-style-type: none"> <li>- Cardiff Central to Cardiff Bay</li> <li>- Cardiff Central to Pontyclun in the North-West Corridor</li> </ul> </li> <li>• Cardiff Council provided input and endorsement of South-East Wales Transport Commission recommendations to WG for greater investment in sustainable travel including Cardiff Cross-Rail/Core Metro network extensions and new train stations.</li> <li>• Working arrangements to progress improvements at stations have also been established and further study work is progressing by TfW following transfer of ownership of the Core Valley Lines from Network Rail to the Welsh Government including a collaborative bid to the Department for Transport for a new station at Ely Mill/Victoria Park.</li> <li>• Cardiff Metro/Bus programme manager appointed in June 2021/22.</li> </ul> <p><b>Current Study Work in Progress</b></p> <ul style="list-style-type: none"> <li>• North-West Corridor Phase 1 Stage 2 WeITAG</li> <li>• Cardiff Crossrail Technical Feasibility Studies including Western Junction</li> </ul>			

- Cardiff Central to Cardiff Bay Technical Studies
- Cardiff Metro Master Planning/Option Development for Cardiff Bay/Roath Dock

### **What we plan to do to meet target**

#### **Governance**

- Strategic Programme Board Meetings ongoing
- Cardiff Metro Steering Group Meetings ongoing

#### **Planned Study work**

- Further extensions as part of the Core Metro/Cross-rail will involve further study work for the sections:
  - Radyr to Coryton - Discussions with TfW and Velindre on future study work have been progressed.
  - Roath Dock to Newport Road/Cardiff Parkway St Mellons - Newport Road Station Study currently being scoped along with the WG Burns Unit.

At the appropriate time, the Council will need to support bids for funding to progress the Metro schemes. This will need to be reported to Cabinet taking into consideration the Cabinet Reports of Feb 2014 and June 2021.

#### **Key indicators/ measures:**

- Agreement of governance and working arrangements
- Agreement of a programme of Metro improvements
- TfW dedicated Strategic Programme Metro Manager for SE Wales tracks & monitors progress & risks
- WeITAG 1-5 stages met – guidance requires the establishment of a Review Group by Stage 2 where the key risks and dependencies are required to be presented

Risk Title	Current Risk Rating	Target Risk Rating	Target Reduction Date
Delivery of Financial Savings targets (current & future) & monitoring of revenue expenditure	C2 (possible/significant)	C3 (possible/moderate)	March 21/22 <i>(plus ongoing review)</i>
<p>Risk:</p> <ul style="list-style-type: none"> <li>- Unachieved savings from previous &amp; current years having a detrimental impact on financial position</li> <li>- 'Invest to save' schemes not meeting savings targets or not being delivered on time</li> <li>- Unfunded / unforeseen financial pressures</li> <li>- Potential shortfall against income targets</li> <li>- Revenue implications of capital schemes</li> </ul>			
<p><b><u>What we've done/are currently doing to achieve the Residual Risk Rating</u></b></p> <p><b>Savings</b></p> <ul style="list-style-type: none"> <li>• Savings model accounts for and mitigates unachievable savings to ensure realistic savings plan</li> <li>• Finance Officers work closely with accountants to ensure that savings are identified and appropriately allocated</li> <li>• Closely monitoring - highlighting potential shortfalls - in process of identifying mitigations</li> <li>• Working with Cabinet Members and providing good evidence/ support through associated reports</li> </ul> <p><b>Invest to Save</b></p> <ul style="list-style-type: none"> <li>• Monthly monitoring &amp; reporting of 'Invest to Save' schemes: <ul style="list-style-type: none"> <li>- scheme delivery progress</li> <li>- highlighting potential delays which will impact completion &amp; payback/ savings</li> <li>- income generation</li> <li>- highlighting any anticipated shortfall/ delay in income &amp; identify any mitigation</li> </ul> </li> </ul> <p><b>Emerging Financial Pressures</b></p> <ul style="list-style-type: none"> <li>• Monthly monitoring with Team leaders and OMs to ensure all financial pressures are highlighted as soon as understood &amp; known</li> <li>• Unforeseen/ unfunded costs flagged to Corporate Finance and impact on financial position - corrective action to mitigate where possible</li> <li>• Working closely with Corporate Finance to ensure appropriate Covid 19 costs are claimed from WG</li> </ul> <p><b>Income</b></p> <ul style="list-style-type: none"> <li>• Monthly monitoring with Team leaders and OMs to ensure all income shortfall issues are highlighted as soon as understood &amp; known</li> </ul>			

- Analysis/ modelling undertaken to try to understand trends/ economic conditions and project future patterns
- Projected shortfall & reasons flagged to Corporate Finance to ensure appropriate Covid 19 costs are claimed from WG

### **Capital schemes**

- Revenue implications of major capital schemes raised as a risk at Major Projects meetings with Corporate Finance e.g:
  - maintenance - materials spec of high-end products
  - cleansing - new equipment required to service cycle lanes
  - staff resources - increased staff required to deliver capital ambition
- Information submitted as part of capital bid process to feed into MTFP (currently £125K allocated in 23/24 & 24/25)

### **What we plan to do to meet target**

#### **Monitoring & Mitigation**

- Continue to identify the financial impact of Covid 19, understanding current and predicting future trends to support the recovery strategy
- Continue to submit Hardship claims to WG where appropriate to support income shortfall/ additional costs (as was successfully achieved in 20/21)
- Claims have been submitted for Q1&Q2
- Monthly monitoring & reporting - ongoing
- Month 06 Position - £296k overspend mainly due energy management - historical unachievable targets and scheme delays. Mitigation is ongoing.

#### **Invest to Save**

- As raised in CEX Budget Challenge meeting - Energy projects need to have remedies put in place, so savings start to be achieved (Radyr Weir & Solar farm) - Action for consideration:
  - Should operational delivery of Energy projects sit in PTE or within FM / Estates, discussions ongoing

#### **Capital Schemes**

- Review to be undertaken of revenue implications for highways maintenance/ Cleansing to better understand additional cost/ budget requirements to inform MTFP. GS to pull together list to include:
  - Scheme
  - Type of specialist treatment e.g. granite, segregated cycle lanes, SUDs
  - Construction completion date
  - Maintenance start date
  - Anything else deemed pertinent
- Meetings ongoing (Transport/ Highways/ Cleansing/ Finance) as schemes/ detail develops to discuss & identify realistic costs/ time profile to feed into MTFP.

Key indicators/ measures:

- Directorate Financial Position
- Improvement against previous years unachieved savings target
- Implementation of audit recommendations
- WG funding claims submitted/ claims paid (£30.233M for 20/21 - capital £16.951M & revenue £13.282M)
- Economic conditions e.g. Parking (covid impact)

<b>Risk Title</b>	<b>Current Risk Rating</b>	<b>Target Risk Rating</b>	<b>Target Reduction Date</b>
City Centre Transport Improvements including delivery of supporting highway improvements for new Central Transport Interchange & the delivery of Segregated Cycleways	A3 (very likely/ moderate)	D3 (unlikely/ moderate)	March 21/22 <i>(plus ongoing review, for duration of delivery programme)</i>
Risk: Transport network being adversely impacted due to implementation of multiple major transport schemes concurrently within City Centre and along key routes			
<b><u>What we've done/are currently doing to achieve the Residual Risk Rating</u></b>			
<ul style="list-style-type: none"><li>• <b>Bus Operator Engagement</b><ul style="list-style-type: none"><li>- regular contact with bus operators to share construction phasing plans and identify issues on the network</li></ul></li><li>• <b>Internal Network Review Group</b><ul style="list-style-type: none"><li>- internal group of officers set up to monitor the network impacts</li></ul></li><li>• <b>Programme of Enabling and Mitigation Works</b><ul style="list-style-type: none"><li>- a series of projects purposely developed &amp; set up to support and enable key strategic transport scheme, as well as ad-hoc projects and network changes to directly tackle network impacts as and when they occur</li></ul></li><li>• <b>Monitoring &amp; On-Site Staff Presence</b><ul style="list-style-type: none"><li>- regular traffic monitoring via UTC Control Room, automatic and manual counting of junctions and links, plus staff presence on site and deployment to hot spot areas where required</li></ul></li></ul>			
<b><u>What we plan to do to meet target</u></b>			
<ul style="list-style-type: none"><li>• <b>Current controls</b><ul style="list-style-type: none"><li>- continuation &amp; monitoring of the existing mitigation controls ongoing</li></ul></li></ul>			

- **Funding**
  - work with PTE finance and corporate finance to identify internal budgets to be used to implement controls, and seek further funding e.g. external where possible/ opportunity allows
  
- **Resource**
  - review of staff resource to supplement and support the Transportation Programme Team

**Key indicators / measures:**

- Key stakeholder feedback/ endorsement
- Traffic flow data
- Delivery programme milestones
- Complaints receive