

Report of the Interim Director of Place

Risk Management of the York Central Project

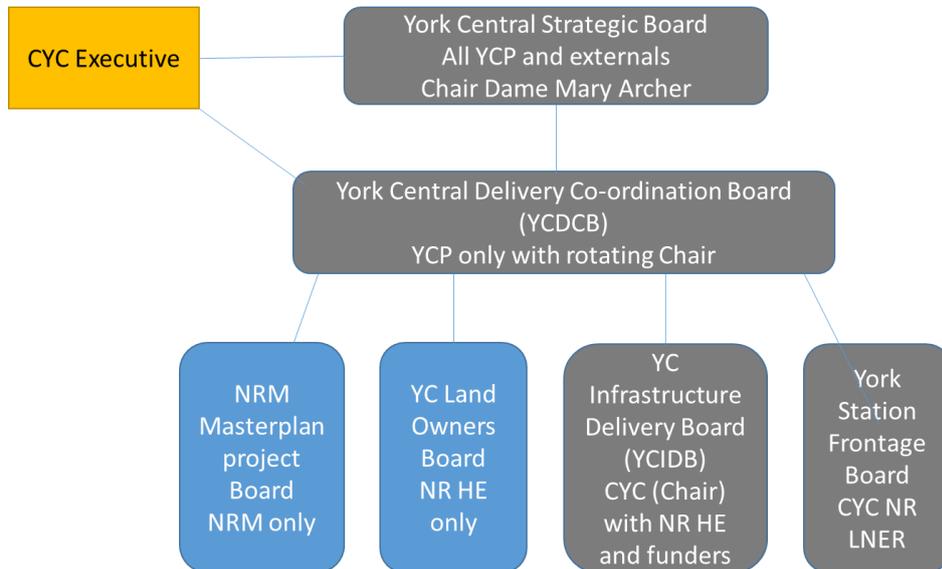
Summary

1. The July 23rd Executive decision to release further funding to enable the commencement of early, preparatory infrastructure works for York Central was called in by Councillors Myers, K Taylor and Wells. The decision was considered by the Customer & Corporate Services Scrutiny Management Committee (Calling-in) on 13 August 2020. The committee decided that the original decisions should not be referred back to the Executive for reconsideration.
2. The committee also suggested that they would like the Audit & Governance Committee to examine in depth the Key Corporate Risks (KCRs) relating to capital projects, subsequently the Chair of Audit and Governance has requested that this report be brought forward with any issues arising to be reported to Customer & Corporate Services Scrutiny Management Committee (CCSMC).
3. This report therefore presents an overview of risk management arrangements for the council as part of the York Central Partnership (YCP) and attaches the most recent up to date versions of the risk registers used to track and manage risk.

Background

4. The York Central project is possibly the most complex project ever facilitated by CYC. It is large scale, multi-faceted, strategically essential and requires the effective collaboration of 4 public sector land owners and is funded from multiple inter-related funding sources which requires CYC to exercise a significant amount of influence as the Council does not directly control the project.
5. Delivery requires effective project management of the individual strands of work, to ensure the achievement of the required outputs, but also requires a comprehensive and holistic approach to programme management to deliver the expected outcomes. The programme governance has evolved as the

YCP has matured. Executive have agreed that CYC are content with all governance arrangements proposed by the partnership with the current arrangements agreed by Executive in November 2018 set out in the diagram below.



6. This is predicated on the strategic oversight being undertaken by the York Central Strategic Board, where CYC is represented by the Leader of the Council and the Chief Operating Officer.
7. Programme co-ordination between all partner activities achieved through the York Central Delivery Coordination Board (YCDCB). This board has a rotating chair and monitors the master programme, budget and benefits realisation, making sure that all contributing projects are aligned and that the critical path can be delivered. CYC is represented by the Interim Director of Place. The YCDCB is not a decision making board but acts as a conduit back through each partner's respective decision making processes. All CYC decisions come to the Executive for approval.
8. There are 4 projects feeding in to the YCDCB and CYC leads the York Central Infrastructure Delivery Board (YCIDB) with representatives of YCP and Network Rail (NR) and both Local Economic Partnerships (LEPs) as key funders in attendance. This board is chaired by the Corporate Director of Place.
9. The Station Frontage project is a separate corporate project undertaken in partnership with NR, but is indicated in the YC governance arrangements due to the clear links between, and need to coordinate, work to both sides of the railway station and WYCA grant funding.

10. The two remaining project boards are operated by YCP partners with the NRM leading on the delivery of their masterplan and the majority landowners Network Rail and Homes England leading the Developer Board. The council are not party to the risk registers from these boards.
11. Risk is managed at a programme level via the YCDCB and at a project level via each project. The programme risk log is reviewed at the monthly board meetings and is attached at Annex 1. YCIDB has its own risk register which is also regularly reviewed by the board and is attached at Annex 2. The board activity is supplemented by risk workshops, with project partner representatives, to review changes to risk profiles and identify new or emerging risks. The risk registers attached to this report have now been reviewed by all partners to ensure that an un-redacted version can be considered by A&G in public. The risks were updated but also for a small number of risks the descriptions have been amended so that they still accurately describe the risk but do not breach commercial confidentiality which in itself would create a delivery risk.
12. The Project Assurance function is essential to the success of York Central due to the complexity and inter-related projects with many dependencies. This function has been commissioned externally to ensure that there is robust and independent, programming and assurance services applied to the overall programme and that this is integrated into the Infrastructure Delivery Programme. This service has been commissioned from Avison Young.
13. Progress with the project has been reported to Executive at every stage and Executive and Full Council have made numerous decisions to progress the project.
14. In August 2020 the council were informed that their application for funding to the Ministry for Housing, Communities and Local Government (MHCLG) for £77.1m to contribute to the infrastructure funding package had been agreed but that it would be awarded to the major landowners, NR and Homes England (HE).
15. The previous assumption was that the council would deliver the second infrastructure package (IP2) and this was predicated upon the council being the recipient of the grant funding from York North Yorkshire LEP (YNY LEP) and West Yorkshire Combined Authority (WYCA) and the MHCLG funding and providing borrowing capacity through the York Central Enterprise Zone arrangements. The change to funding allocation has given rise to a need to review the existing delivery strategy, the various funding agreements and the governance framework. This work is still underway across the YCP.

16. The different delivery and funding arrangements create different risk profiles and would potentially reallocate risks from one partner to another. Whilst these arrangements are being developed the council have developed a further interim risk register to identify risks not captured by the YCDCB and YCIDB risk registers. This is presented at Annex 3 in the format used by the council for recording key corporate risks.
17. The shift in funding could reduce the council's financial risk exposure. Where we are not in receipt of the funding and if we do not deliver the infrastructure we do not directly own the risk of cost over-run. However we will have less influence on the delivery programme and therefore the risk that the scheme is not delivered in a timely way is potentially increased. Delay risk will need to be considered in relation to future council decisions regarding the commitment of the £35m Enterprise Zone funding. These decisions are not yet made.
18. As the governance and delivery arrangements are reviewed the risk registers will also be reviewed. This is expected to take place in the next quarter.

Contact Details

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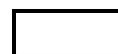
Corporate Director of Economy and Place

Report Approved



Date 19 November
2020

Wards Affected: Holgate, Micklegate



For further information please contact the author of the report

Background Papers:

Annex 1: YCP Delivery Co-ordination Board Risk Register Nov 2020
Annex 2: YCP Infrastructure Delivery Board Risk Register Nov 2020
Annex 3: CYC York Central Key Corporate Risks October 2020

Glossary

CYC - City of York Council
EIF – Economic Infrastructure Fund

EZ – Enterprise Zone
HE – Homes England
HIF - Housing Infrastructure Fund
IP – Infrastructure Package
LCR - Leeds City Region
LEP - Local Economic Partnership
LGF – Local Growth Fund
MHCLG –Ministry of Housing Communities and Local Government
NR – Network Rail
NRM - National Railway Museum
OPA – Outline Planning Application
RMA – Reserved Matters Application
WYCA – West Yorkshire Combined Authority
WYTF – West Yorkshire Transport Fund
YC - York Central
YCP - York Central Partnership
YNY LEP – York, North Yorkshire Local Economic Partnership