

**BUDGET 2006/2007 - 2008/09
RISK MITIGATION MEASURES**

Item Ref. No:
RSK/COR/01

TITLE OF ITEM:	OLYMPIC LEGACY			
DIRECTORATE:	Corporate			
SERVICE AREA:	Chief Executive's	LEAD OFFICER:	Christine Gilbert	
FINANCIAL INFORMATION:				
	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
General Fund				
HRA				
Other	N/A	400	400	400
TOTAL	N/A	400	400	400
DESCRIPTION:				
What is the expenditure to be entered into, and how will it be spent?				
<p>This proposal has 2 elements:</p> <p>i) To establish a small Olympic Unit within the Council to ensure the Borough secures the maximum benefit from the 2012 Olympic and Paralympic Games. This will involve the appointment of a Service Head as lead officer responsible for ensuring strategic clarity and organisational coherence in using the Olympics to improve the quality of life for local people. This will entail:</p> <ul style="list-style-type: none"> • acting as the officer champion for the Olympics both inside and outside the Council; • ensuring effective leadership, co-ordination and engagement of Directorates in ensuring the Borough benefits from the Olympics; • using the excitement associated with the Olympics and Paralympic Games to engage people, particularly young people, and raise their aspirations; • acting as the focal point for contact, discussion and engagement with partners, external stakeholders and local people; • advising Members on Olympic issues and developments; • disseminating information, as appropriate. <p>The size of the Unit is likely to vary over time according to need and priorities.</p> <p>In the first instance, in addition to the Service Head, the Unit will comprise a Policy Officer and an administrative officer. It may be that colleagues from other directorates are seconded into the team either on a full-time basis or part-time, for different periods of time. The Unit will have a budget that will enable some support for this flexibility. It will also be used to buy-in resources and expertise, principally from other boroughs. Newham, for example, has already established an extremely large Unit with the capacity to sell services.</p> <p>The full-year costs of this internal Unit have been estimated at £300,000.</p> <p>ii) To support the establishment of a joint Olympics Unit for the 5 boroughs. This Unit is intended to:</p> <ul style="list-style-type: none"> • give strategic and operational coherence to the collaborative work of the 5 boroughs most closely involved in the planning, delivery and legacy of the Olympic and Paralympic Games; • establish an Olympics development programme for the 5 boroughs which ensures local benefit and sustainable legacy. <p>The head of this Unit will be paid at Executive Director level and will be responsible to the Leaders' and Mayors' Group of the 5 boroughs, guided by a Steering Group of the boroughs' Chief Executives. To engender close working relationships and good communication, the Unit will be co-located with the ODA and LOCOG. The Director will be supported by a small team of permanent staff and other members of the team will be seconded from the boroughs to deliver particular priorities and tasks. The full-year cost of the Unit has been estimated at £500,000 with each of the 5 host boroughs contributing £100,000</p>				

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	JUSTIFICATION:
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| | <p>a. What is the nature of the risk to be mitigated, and how will making this expenditure mitigate that risk?</p> <p>b. How will the proposed expenditure offer value for money? Does the expenditure have any implications for the achievement of efficiency targets?</p> |
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- c) As highlighted in January's Cabinet report, failure to optimise the opportunities of the Olympic and Paralympic Games to capture real benefits for local people represents a strategic risk for the Council. The mitigation of this risk is likely to require additional resource input at different stages between now and 2012. The level of uncertainty about this is still significant. Consequently, the proposals seek to establish a minimal infrastructure and this will be kept under review.

The proposed expenditure has been kept at the minimum necessary to ensure a coherent and effective approach. The internal Unit should bring added value to the current work of Directorates and ensure our approach as a Council is efficient and effective. It is low cost compared to the other 4 boroughs.

The 5 borough unit seeks to bring added value to each Borough's programme so that, by working collaboratively, benefits for local people are more fully realised.

Each of the government's floor targets, all major priority areas for us, should see significant improvement from this added investment.

Given the uncertainty about the demands of this work, the Council's Efficiency Board, an officer group chaired by the Chief Executive, will receive regular reports to ensure value for money can be demonstrated.

**BUDGET 2006/2007 - 2008/09
RISK MITIGATION MEASURES**

Item Ref. No:
RSK/COR/02

TITLE OF ITEM:	Asset and Programme/Project Management – Increasing capacity			
DIRECTORATE:	Corporate			
SERVICE AREA:	LEAD OFFICER:			Martin Smith
FINANCIAL INFORMATION:				
	Current Budget	Bid		
	2005/2006 £000	2006/2007 £000	2007/2008 £000	2008/2009 £000
General Fund		150	150	150
HRA				
Other				
TOTAL	N/A	150	150	150
DESCRIPTION:				
What is the expenditure to be entered into, and how will it be spent?				
<p>This bid is designed to strengthen capacity in two areas identified through the Council's risk management and service planning processes.</p> <p>Programme and project management - It is proposed to establish a common project management framework for adoption across the Council supported by the creation of a Programme Support Office (PSO). The PSO would co-ordinate and control the operation of the framework, provide intervention and support to complex projects and programmes, provide assurance to CMT & Members, and assist in ensuring that intended outputs are delivered on time and budget.</p> <p>Asset Management – the funding will be used to expand, validate and improve information held on the Council's asset base to accelerate the production of a comprehensive asset register. This is vital to the development of an effective asset strategy, and to ensuring that the Council is optimising the use of its land and property assets in conjunction with its LSP partners. The funding would also be used to explore the options for generating and releasing additional value through improved asset management.</p>				
JUSTIFICATION:				
a. What is the nature of the risk to be mitigated, and how will making this expenditure mitigate that risk?				
b. How will the proposed expenditure offer value for money? Does the expenditure have any implications for the achievement of efficiency targets?				
<p>A number of the strategic budget risks identified in the report to Cabinet on 11th January 2006 are related to programme and project management. In addition the Council is engaged in a number of major programmes e.g. office accommodation, building schools for the future, ICT/e-government, customer access, which have a high degree of interdependence requiring a significant degree of corporate co-ordination. The adoption of more formal programme management arrangements will mitigate these risks and have been successfully introduced in a number of other Councils. Sound project management is acknowledged as a major contributor to improved value for money through avoiding delay and cost overrun.</p> <p>Given the strategic importance of land and property resources in Tower Hamlets and the significance of the Council's asset base, failure to optimise the use of those assets to deliver Community Plan objectives represents a significant risk. A more strategic approach to asset management should provide substantial added value to the Council, and provide opportunities for sharing scarce resources with the Council's partners which is likely to outweigh the additional funding proposed.</p> <p>The bid is intended to supplement and add value to existing mainstream activity by accelerating progress and the consequent identification and realisation of benefits.</p>				