



TYNE AND WEAR
INTEGRATED TRANSPORT AUTHORITY

Date: 24 February 2012

TITLE: STRATEGIC RISK UPDATE

REPORT OF: THE DEPUTY CLERK AND TREASURER

Not Confidential

District Implications across Tyne and Wear

1. Summary / Purpose of Report

- 1.1 This report provides an update on ITA strategic risks and opportunities as set out in the ITA Strategic Risk Strategy.
- 1.2 The formal risk process adopted by the ITA aims to provide assurance that significant risks and opportunities associated with the delivery of ITA business are identified, monitored and managed.
- 1.3 The risks and opportunities register has been updated by officers of the ITA taking into account similar registers from partner organisations such as Nexus and Tyne Tunnel Concessionaire (TT2). Significant changes / issues are summarised within this covering report.
- 1.4 For the purposes of this report we have merged the two areas this register covers (risks and opportunities), they will be represented as a coherent overview.

2. Recommendations

- 2.1 To review and comment upon the outcomes of the update.
- 2.2 To identify any further significant risks, mitigating actions or opportunities for consideration.

3. Strategic Risk Update

- 3.1 This report provides all strategic risks and opportunities (presented in **Appendix A**).
- 3.2 Since the last full review of the Strategic Risk Register, reported to ITA Standards and Audit Committee in March 2011 a number of events have occurred that have mitigated, removed, or changed the focus of several strategic risks and opportunities:
 - a budget review has been undertaken and the levy reductions agreed (5% in

2011/12 and 5% in 2012/13);

- the Government has also confirmed the levels of reduction in funding for both local transport and major transport schemes, including the A19 Junctions – while finalising its projected spend on major schemes (including a new bridge in Sunderland);
- the LTP3 has been finalised and approved by the ITA following the consultation period;
- £4.95m funding has been secured from government to support interventions in local sustainable transport (with a further bid of £16m currently being considered);
- the opening of the New Tyne Crossing and refurbishment of existing tunnel has been completed providing a dual lane crossing in each direction; and
- the Government has released a new White Paper on transport, funding opportunities, and consultations about proposed changes to major scheme funding – while further Command Papers on rail devolution and franchising are expected imminently.

3.3 For this review of the register we have changed the format to reflect changes made by government to the way business cases must be outlined – it seems sensible to consider our risks in the same ways. Therefore the register now outlines risks and opportunities within five broad areas, that will show whether our ongoing work:

- fits with wider public policy objectives – ‘strategic’ risks and opportunities;
- demonstrates value for money – ‘economic’ risks and opportunities;
- is financially affordable – ‘financial’ risks and opportunities;
- is commercially viable – ‘commercial’ risks and opportunities; and
- is achievable – ‘management’ risks and opportunities.

4. **Next Steps**

4.1 The ITA Strategic Risk and Opportunity Register is regularly monitored and fully reviewed/reported to ITA Standards and Audit Committee twice per annum to ensure risk ratings reflect emerging risks and opportunities and that progress is being made in reducing current risks and maximising opportunities. The ITA will also continue to receive strategic risk and opportunity updates on an annual basis.

5. **Background Papers**

5.1 ITA Strategic Risk Strategy – available from contact officers below.

6. **Contact Officer (s)**

6.1 Graham Grant, ITA Policy, (0191 211 6011)