



**GA.42 13/14**

**Committee: Governance & Audit**

**Date: 9<sup>th</sup> January 2014**



**Subject: Report title – Strategic Risks December 2013**

Report by:

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Purpose / Summary:

To present Members with the strategic risks facing the Council as at December 2013

**RECOMMENDATION(S): 1. That members confirm that the strategic risk register provides sufficient assurance that the organisation is effectively managing its strategic risks.**

**IMPLICATIONS**

**Legal: None**

**Financial: FIN/50/14 The key strategic financial risks are detailed within the register.**

**Staffing: None**

**Equality and Diversity including Human Rights: None**

**Risk Assessment: None**

**Climate Related Risks and Opportunities: None**

**Title and Location of any Background Papers used in the preparation of this report:**

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

**Yes**

**No**

**Key Decision:**

A matter which affects two or more wards, or has significant financial implications

**Yes**

**No**

## **1. Introduction**

1.1 Strategic Risks are considered as being those faced by the Council that if materialised would affect the delivery of corporate priorities.

## **2 Monitoring Arrangements**

2.1 The strategic risks are presented to the Core Management Team (CMT) on a monthly basis for review.

2.2 CMT are requested to review the risks, control measures and future actions to ensure that they remain sufficiently robust to mitigate the identified risk.

2.3 Where corrective action is required and/or additional risks are identified, the strategic risk register is updated accordingly.

## **3 Risk Register**

3.1 The strategic risk register as at 17<sup>th</sup> December 2013 is presented below for Members to review.

## Strategic Risk Register

Strategic Risks (those that affect the delivery of the corporate plan) December 2013

No	Risk Name	Control Measures	Risk Impact	Risk Likelihood	Control	Risk Owner	Future Actions	Date of Next Review
1	<b>Financial sustainability</b> in current financial climate resulting from further severe local government funding reductions, a shortfall in planned income or significant increases in operating costs. Impact on quality and level of service delivery and ability to influence and address social issues such as unemployment.	<ol style="list-style-type: none"> <li>Five year budget strategy that looks at medium and long term planning to build greater resilience</li> <li>Stakeholder engagement to manage expectations and inform decisions on future savings and priorities for the council.</li> <li>Wider approach to commercialisation.</li> </ol>	3	4	Treat	<b>Russell Stone</b>	<ol style="list-style-type: none"> <li>Delivery of 'Finance Matters' programme to enhance officer awareness and capability, whilst also providing improved information to support the Council's wider aspirations and entrepreneurial vision.</li> <li>Medium term planning and development of options to meet financial challenges.</li> <li>Robust and proactive approach to financial management based on realistic deliverables.</li> <li>Transformation Plan to be debated at Leader's Away Day 22nd January so that medium term and long term savings can be developed and implemented.</li> </ol>	<b>31/01/2014</b>
2	<b>Collaboration</b> - Failure to deliver through greater collaboration with parties such as county council, districts, South Humber, parishes and communities, leading to reduction in services and failure to address complex issues.	<ol style="list-style-type: none"> <li>Regular meetings between politicians and managers with key partners to update and monitor joint actions.</li> <li>Role of CMT to focus more on developing partnership delivery.</li> </ol>	3	3	Treat	<b>Manjeet Gill</b>	Lead Committee Officers identified. Lead members and officers agreed for corporate priorities.	<b>15/01/2014</b>
3	<b>Ability of the community</b> to adapt to the reduction in public sector funding and focus more on self help and helping each other, greater frustration, needs not met. Impact on health and ability to live independently in their homes.	<ol style="list-style-type: none"> <li>Localism programme, funding and new officer roles, providing support and tools to help communities help themselves and others.</li> <li>Councillors understanding how and where communities need development support and signposting them to this.</li> </ol>	3	2	Treat	<b>Jo Riddell</b>	<ol style="list-style-type: none"> <li>Challenge and Improve Committee are reviewing the success of the Localism programme. This will be completed by February 2014. The review is being carried out by Members and Officers.</li> <li>Additional performance measures have been developed to record volunteer numbers and amount of external funding levered into the District.</li> </ol>	<b>15/01/2014</b>
4	<b>Leadership capability</b> amongst members and managers to proactively drive and take difficult decisions that are needed to adapt to the new environment, ability to build a more resilient council, balancing a difficult budget. Levels of performance and impact on delivering outcomes.	<ol style="list-style-type: none"> <li>Councillors and managers jointly agree approach to how we work as part of the Budget and Corporate Plan workshops</li> <li>Managers work to new management standards and focus resources on delivering priority outcomes</li> <li>Leadership development training</li> </ol>	3	2	Treat	<b>Manjeet Gill</b>	<ol style="list-style-type: none"> <li>Leadership development training</li> <li>Commercial Training</li> <li>New competency framework in place for HoS and Directors</li> <li>Director model agreed</li> <li>Priority away day SMT</li> <li>Chief Operating Officer appointed</li> <li>Interim Commercial Director appointed</li> </ol>	<b>15/01/2014</b>
5	<b>Customer satisfaction and expectations</b> do not realistically reflect a reduced workforce with budget cuts, frustration and expectations not being met, Time dealing with complaints.	<ol style="list-style-type: none"> <li>Greater focus on customer standards and greater consistency on customer service and communication across all services</li> <li>Focus on communicating achievements and work with communities and customers to deliver success</li> <li>Greater analysis and action on complaints</li> </ol>	2	4	Treat	<b>Alan Robinson</b>	The e accessibility project was approved in November 2013. Work on providing a self service option available 24 hours a day 7 days a week. This will result in a "channel shift" so more customers will be able to access the Council electronically; which in turn will enable the Council to provide "more with less" or the "same for less."	<b>15/01/2014</b>
6	<b>Governance</b> - The ability of the council to work to the principles of good corporate governance expected to deliver the Corporate Plan, use resources effectively and deliver outcomes.	<ol style="list-style-type: none"> <li>Management Standards</li> <li>Strengthen first and second lines of assurance</li> <li>Programme of Audits to monitor and learn</li> </ol>	5	4	Treat	<b>Jeanette McGarry</b>	<ol style="list-style-type: none"> <li>Report on Governance has been presented to members of Governance and Audit and the SMART action plan was presented to Governance and Audit Committee 21st November 13.</li> <li>Progress report to G&amp;A Committee on the 9th January.</li> <li>Special G&amp;A Corporate Governance meeting in February 2014 to seek assurance of the programme Scope, individual project plans and response to the Elswitha audit recommendations.</li> <li>CMT have and will continue to monitor progress closely on a monthly basis and G&amp;A Committee have reviewed outstanding audit actions. The Committee will continue to this monthly.</li> </ol>	<b>15/02/2014</b>

7	<b>Impact of the current economy</b> on the most vulnerable, including businesses and individuals leading to a decline in health. Well-being and standards, lack of community confidence and morale and pressure of services such as housing and benefits.	<ol style="list-style-type: none"> <li>1. Greater targeted work on priority areas and neighbourhoods</li> <li>2. Develop ways to help youth unemployment and employability of young people</li> <li>3. Invest in development and growth of business</li> </ol>	3	2	Treat	<b>Mark Sturgess</b>	<ol style="list-style-type: none"> <li>1. Develop a strategy for the local economy that identifies those areas which are of high importance in developing businesses and employment opportunities and have high impact once implemented. This strategy is currently going through the process towards adoption by the Council.</li> <li>2. Work with strategic partnership the GLLEP to access funding to support economic development within the district.</li> <li>3. Work with communities to closely identify their needs, their capacity to take action themselves and work with them to identify sources of assistance to build community confidence and resilience.</li> <li>4. Work with lead members to develop an approach to deal with the issues of youth unemployment, the employability of young people and the issue of NEETS.</li> </ol>	15/01/2014
8	<b>Finance Reform</b> - Impact of welfare reforms both financially and otherwise due to delays in legislation for universal credits and wider reform, affecting financial sustainability, impact on workforce and financial pressure on claimants.	<ol style="list-style-type: none"> <li>1. Scenario planning and adoption of policies in waiting as pending legislation and its principles become clearer</li> <li>2. Undertake pilot of Universal Credit</li> <li>3. Steering group for welfare reform created and monitoring progress</li> <li>4. Retraining of staff</li> <li>5. Alternative use of staff resource to be considered</li> </ol>	4	4	Treat	<b>Alan Robinson</b>	The Universal Credit Pilot is due to end on 31st December 2013. Evaluation will be undertaken in January 2014. Actions will be reassessed as a result of the evaluation	15/01/2014
9	<b>Ability to deliver high performing services</b> in relation to the level of resources - failure to meet social needs.	<ol style="list-style-type: none"> <li>1. Greater comparison of national benchmark and best practice</li> <li>2. Invest in service development and redesign in line with the Entrepreneurial Council model of localism, greater productivity and more income</li> <li>3. Strong performance management framework in place</li> </ol>	3	3	Treat	<b>Jeanette McGarry</b>	Business Improvement Team have undertaken service reviews . The Team are working in partnership with the S151 Officer. A joint report will be presented to the Leader's Away Day on the 22nd February 2014. CMT will receive regular monitoring reports to ensure that savings are delivered and to ensure that there is some corporate financial capacity for future priorities. Performance management approach has been fully reviewed: all project plans, service plans, appraisals, and approach to team meetings have been reviewed; as a result the Council's 'golden thread' approach is now being revised. The proposed Performance Management Framework will be presented to CMT for debate and will then be presented to Committee.	15/02/2014
10	<b>Workforce productivity, morale and motivation</b> at a time when they have to be resilient, adapt new skills and behaviours - impact on stress and health and safety.	<ol style="list-style-type: none"> <li>1. People and OD programme and service, provide leadership in tackling this area</li> <li>2. All managers provide leadership and modelling behaviours needed and support to workforce and councillors to help them adapt</li> <li>3. Effective communication arrangements in place</li> <li>4. Clear objectives set through appraisals</li> <li>5. Clear management standards to reduce any confusion</li> </ol>	4	3	Treat	<b>Manjeet Gill</b>	Cultural change programme is being implemented as part of corporate governance SMART actions. The Corporate Governance Scope and associated project plans have been completed. G&A Committee have arranged a special Corporate Governance progress meeting for February 2014.	15/02/2014
11	<b>Local development framework</b> - failure to deliver sustainable growth and preventing piecemeal development.	<ol style="list-style-type: none"> <li>1. Core Strategy being realigned to national localism changes</li> <li>2. Delivery plans for key strategic sites</li> <li>3. Housing and Economic Strategies to deliver growth</li> </ol>	4	3	Treat	<b>Mark Sturgess</b>	<ol style="list-style-type: none"> <li>1. Engage partner organisations and neighbouring councils to jointly address this issue by marketing the area to national developers.</li> <li>2. Conference organised for 10 December 2013.</li> <li>3. The Central Lincolnshire Co-ordination and Delivery Group is working on an approach to ensuring the growth planning for central Lincolnshire is delivered. 4. There are plans in place for the detailed delivery of the urban extensions around Gainsborough. Completed July 2013.</li> </ol>	15/01/2014