

<b>Report of:</b>	<b>Head of Governance</b>
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<b>Portfolio Leader:</b>	<b>Corporate Improvement</b>
<b>Key Decision:</b>	<b>No</b>
<b>Report Track:</b>	<b>Audit &amp; Governance Committee Only</b>

**AUDIT & GOVERNANCE COMMITTEE**

**24 JUNE 2014**

**STRATEGIC RISK REGISTER**

**1 Purpose of Report**

- 1.1 To set out details of the progress in managing the Strategic Risks facing the Council during the period January 2014 to March 2014.

**2 Recommendations**

- 2.1 That the Committee consider the effectiveness of the Council's Risk Management arrangements as set out in the report.

**3 Key Issues and Reasons for Recommendation**

- 3.1 At the end of March 2014, the Council's risk profile has been reviewed and is summarised in the table below:

<b>Risk Colour</b>	<b>Number of Risks at 31st December 2013</b>	<b>Number of Risks at 31<sup>st</sup> March 2014</b>
Red	<b>1</b>	<b>1</b>
Amber	<b>4</b>	<b>3</b>
Green	<b>1</b>	<b>0</b>
<b>TOTAL</b>	<b>6</b>	<b>4</b>

## 4 Relationship to Corporate Priorities




- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) Risk management is a systematic process by which key business risks / opportunities are identified, prioritised and controlled so as to contribute towards the achievement of Council aims and objectives.
  - (ii) The strategic risks set out in the Appendices have been categorised against the Council's priorities.

## 5 Report Detail

- 5.1 All risk scores have been reviewed and at the end of March 2014 there are 4 strategic risks. The changes are:
- Risk number 3 (District needs not recognised by external stakeholders locally and nationally) - the score remains as it was when last reported to the Audit & Governance Committee, though progress continues to be made on this risk..
  - Risk number 4 (Failure to ensure services are effectively commissioned, managed and deliver value for money) has been removed as there are no longer any significant or high level strategic risks associated with the commissioning of Council services.
  - Risk number 11 (Lack of suitable land to create additional burial space within the district) has been increased from a low (Green) to a Medium (Amber) as it has not yet been possible to fully determine the suitability of the preferred site.
  - Risk number 15 (Failure to achieve an adopted Local Plan for the District) has been removed as the Inspectors report was received in February 2014 and the Local Plan will be formally adopted by Council in June 2014.
  - Risk number 16 (Impact of Benefit Reform) has achieved a reduction in score from 12 to 9 but remains at Medium (Amber)
  - Risk number 17 (Viability / Funding of Cannock Chase Council arising from the 2013 spending review) has been removed as the Council has addressed the issue with a budget in place for 2014/15 and 2015/16. However, this risk has been replaced by a new risk (number 18) as outlined below.
  - Risk number 18 (Funding of Cannock Chase Council as a result of public expenditure reductions) is a new risk and replaces risk number 17 above.

The current risk profile is summarised in the table at 3.1. Full details, including the direction of travel for the period 1 January 2014 to 31 March 2014, can also be found attached at Appendix 1.

- 5.3 Actions have been identified to contain or reduce the risk for the High and Medium categories. However, it is accepted that by their very nature some risks will always be present and it may not be possible to reduce them. They will however continue to be monitored for any changes in the risk score.
  
- 5.4 A progress update for those actions due up to March 2014 is included in the full strategic risk register attached at Appendix 2. Those actions that have been completed are shaded grey and will be removed when the risk register is next reported to the Audit & Governance Committee.
  
- 5.5 The Strategic Risk Register (Appendix 2) also includes an 'Overall Progress Summary' for each risk, with the exception of those added to the risk register in the current period: this is accompanied by a symbol to indicate whether progress is on target or otherwise. The following table outlines the overall progress made in reducing the current risks:

	<b>Progress Indicator</b>	<b>Current position</b>
	No progress made in reducing the risk	0 Risks
	Some progress made is managing the risk	2 Risks
	Risk on target to be reduced	2 Risk

<b>6</b>	<b>Implications</b>
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**6.1 Financial**

None

**6.2 Legal**

None

**6.3 Human Resources**

None

**6.4 Section 17 (Crime Prevention)**

None

**6.5 Human Rights Act**

None

6.6 **Data Protection**

None

6.7 **Risk Management**

The Risk Management implications are included within the body of the report

6.8 **Equality & Diversity**

None

6.9 **Best Value**

None

**7 Appendices to the Report**

Appendix 1 – Summary of Strategic Risks 2013-14

Appendix 2 – Strategic Risk Register – Detailed

**Previous Consideration**

None

**Background Papers**

File of papers kept in the Risk & Resilience Manager's office.

**Appendix 1****SUMMARY OF STRATEGIC RISKS FOR 2013-14**

Risk No	Potential Risks	Risk Owner	Date Added to Risk Register	Score at 31 Dec 2013	Score at 31 Mar 2014	Direction of Travel
<b>RED/HIGH RISKS</b>						
18	Viability/Funding of Cannock Chase Council as a result of public expenditure reductions.	Head of Finance	April 2014	n/a	16	New Risk
<b>AMBER/MEDIUM RISK</b>						
11	Lack of suitable land to create additional burial space within the district	Head of Commissioning	Jun-11	9	12	↑
16	Impact of Benefit Reform	Head of Finance & Head of Housing & Waste Management	April 2013	12	9	↓
3	District's needs not recognised by external stakeholders	Chief Executive	Jun-11	8	8	↔
<b>GREEN/LOW RISKS</b>						
	None					

**RISKS REMOVED - Mar 2014**

4	Commissioning and management of services	Corporate Director	Jun-11	12	0	↓
15	Failure to achieve an adopted Local Plan for the District	Head of Planning & Regeneration	Jun-11	12	0	↓
17	Viability/Funding of Cannock Chase Council arising from the 2013 Spending Review	Head of Finance	April 2013	16	0	↓

**Key to Direction of Travel**

Risk has decreased



Risk level unchanged



Risk has increased

## STRATEGIC RISK REGISTER

Ref No: 3	<b>Risk: Districts needs not recognised by external stakeholders locally and nationally</b>	Score: <b>2 x 4 = 8</b>
<p>Consequences Of Risk:</p> <ul style="list-style-type: none"> <li>• Lack of access to external resources both locally and nationally</li> <li>• Reduced potential to address County need</li> <li>• Reduced potential to narrow disadvantage and inequality within the District and also between District and County regions</li> </ul>		
Risk Owner: Chief Executive		Portfolio: Economic Development & Planning
<p>Links To Priority Delivery Plan for Prosperity:</p> <ul style="list-style-type: none"> <li>• Facilitate economic growth through job creation</li> </ul>		
<p>Controls in Place</p> <ul style="list-style-type: none"> <li>• Participation and network within District and County Local Strategic Partnerships (LSP)</li> <li>• Membership and involvement of regional bodies i.e. Birmingham &amp; Staffordshire Local Enterprise Partnership (LEP), HCA, Regional DCN.</li> <li>• Membership of National and Regional District Chief Executives Network and West Midlands Councils</li> <li>• Maximising opportunities presented by memberships and involvement in District Council's Network (i.e. collective consultation responses nationally) and the LGA.</li> <li>• Maximising opportunities presented by involvement in Staffordshire's Chief Executive and Leaders network.</li> <li>• Delivery strategies for desired outcomes are based on extensive research and information gathering across partner organisation</li> <li>• Periodic meetings with the local MP</li> </ul>		

Actions Planned	Timescale/Person Responsible	Progress/Comments
Identify strategic gaps in funding opportunities externally	On-going Head of Planning & Regeneration	The Council was successful in securing Growing Places Funds and will benefit from European funding transition status.
The Chief Executive is working on a concordat for joint working with the County Council, Police and Clinical Commissioning Group to ensure that there is better collective understanding of the needs of the District and better joint commissioning of services to achieve the required outputs.	On-going Chief Executive	The Concordat has not yet been finalised. However work is underway to develop a district commissioning model for health with the County Council and the CCG.
To continue to work with the Greater Birmingham & Solihull LEP Leaders to make the case for a greater percentage of business rate pooling to be returned to growth areas including Cannock Chase.	On-going Chief Executive	Whilst agreement was reached for 2013-14, work will continue on reaching an agreement for future years.

**Overall Progress Summary:** Progress continues to be made. The Council is represented on 2 LEPs and works closely with local partners via the LSP. The Chief Executive regularly attends a number of high profile networks and partnerships that are vital if issues facing Cannock Chase are to be flagged up at a national level.

GREEN




Ref No: 11	<b>Risk: Lack of suitable land to create additional burial space within the district</b>	Score: <b>3 x 4 = 12</b>
Consequences Of Risk: <ul style="list-style-type: none"> <li>Negative Public Relations</li> <li>Criticism</li> </ul>		
Risk Owner: Head of Commissioning		Portfolio: Culture & Sport
Links To Priority Delivery Plan for People: <ul style="list-style-type: none"> <li>Review burial space within the District</li> </ul>		
Controls in Place <ul style="list-style-type: none"> <li>Identified 1 suitable site within district (subject to test holes)</li> <li>Members have given approval to look for alternative sites outside of the district</li> <li>Approval and planning application completed for the extension of Stile Cop Cemetery</li> </ul>		

Actions Planned	Timescale/Person Responsible	Progress/Comments
Investigation into a potential site on the south side of the district.	Ongoing Parks & Open Spaces Manager	Following testing of the site over 2012/13 consultants have been appointed. They have investigated the site in terms of drainage and burial layout, consulted with the Environment Agency and have reported back with suitable drainage systems. These have been discussed with the Environment Agency and in addition several new test holes have been requested in order to monitor the suitability and feasibility of this site before further investigations proceed.
Discuss with Members commencing search for alternative sites outside of the district	Parks & Open Spaces Manager	This will commence only if selected site is found to be unsuitable.




Actions Planned	Timescale/Person Responsible	Progress/Comments
Extension of Stile Cop Cemetery	QTR 4 Parks & Open Spaces Manager	The extension was approved by Cabinet in July. The planning application was submitted and approved in December 2013. The extension is currently being designed and detailed for specification/ bills of quantity in readiness for tendering.

<p><b>Overall Progress Summary:</b> Progress on the potential site was hampered by the extremely wet weather conditions experienced throughout the summer and autumn of 2012 which necessitated monitoring of the selected site being extended well into 2013. A consultant has been appointed and has produced a Tier 2 Survey which has been submitted to the EA who are happy in principal with the site being utilised. Until the suitability of the preferred site has been fully determined and given the lack of burial space within the district the risk score has been increased. However; the extension at Stile Cop Cemetery will create an additional 1000 plots which at current burial rates is sufficient for 7-10 years.</p>	<p style="text-align: center;"><b>AMBER</b></p> 
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Ref No: 16	<b>Risk: Impact of Benefit Reform (e.g. Introduction of Universal Credit)</b>	Score: <b>MEDIUM 3 X 3 = 9</b>
<p>Consequences Of Risk:</p> <ul style="list-style-type: none"> <li>Increased demand for services (additional workload, pressure on service delivery, additional resourcing etc.)</li> <li>Increase in arrears on Council Tax</li> <li>Impact on Rent Arrears</li> </ul>		
Risk Owner: Head of Finance and Head of Housing & Waste Management		Portfolio: Corporate Improvement, Health & Wellbeing and Housing.
<p>Links to Priority Delivery Plans for Place and Transformation:</p> <ul style="list-style-type: none"> <li>Manage the Council's Housing Stock</li> <li>Provide an infrastructure of financial accountability, advice and support to enable Members and frontline services to fulfil the Council's priorities, policies, key aims and objectives.</li> </ul>		
<p>Controls in Place</p> <ul style="list-style-type: none"> <li>Monitoring impact of localisation of Council Tax Support</li> <li>Monitoring of arrears for localisation of Council Tax Support</li> </ul>		

Actions Planned	Timescale/Person Responsible	Progress/Comments
Monitor impact of Benefit Reform to identify areas of concern	On-going	An on-going monitoring routine is in place.
Develop Action Plan to mitigate detrimental impacts where possible	QTR 4	A report went to Cabinet on 19 <sup>th</sup> September outlining the Social Sector Size Criteria. Recommendations were agreed and are being implemented.
Identifying number of households falling into arrears with Council Tax payments	On-going	Quarterly reports have been developed.

<p><b>Overall Progress Summary:</b> It is considered that some of the adverse impacts will be mitigated by the actions outlined and agreed in the September 13 report to Cabinet. These will be reviewed in July 2014.</p>	GREEN
	

Ref No: 18	<b>Risk: Viability / Funding of Cannock Chase Council as a result of public expenditure reductions</b>	Score: <b>RED 4x4=16</b>
<p>Consequences Of Risk:</p> <ul style="list-style-type: none"> <li>• Council size becomes too small to sustain a viable organisation</li> <li>• The Council is unable to deliver services to the needs of its population</li> <li>• Low staff morale</li> </ul>		
Risk Owners:	Head of Finance	Portfolio: This risk cuts across all Portfolio's
<p>Links To Priority Delivery Plan for Transformation:</p> <ul style="list-style-type: none"> <li>• Provide an infrastructure of financial accountability, advice and support to enable Members and frontline services to fulfil the Council's priorities, policies, key aims and objectives.</li> </ul>		
<p>Controls in Place:</p> <ul style="list-style-type: none"> <li>• Annual Financial Plan and Medium Term Financial Strategy to 2016/17 in place</li> <li>• The 2015/16 Revenue Budget is balanced but requires support from balances</li> <li>• Comprehensive Service Review being undertaken on an annual basis</li> <li>• Corporate Budget Monitoring</li> <li>• Arrangements for adequate planning control and monitoring of business rates in place</li> </ul>		

<b>Actions Planned</b>	<b>Timescale</b>	<b>Progress/Comments</b>
Continue review of base budget to meet the anticipated funding deficit	On-going	In Progress
Review of all sources of finance for the Council	On-going	In Progress
Looking at different options for Service Delivery	On-going	In Progress
Continue Lobbying for additional support for rural areas	On-going	Regular briefing notes to MP's. The Council is also a member of the Sparsity Partnership for Authorities Delivering Rural Services (SPARSE)

Actions Planned	Timescale	Progress/Comments
Delivering Change process to be refreshed for 15/16 & 16/17 budgets	On-going	In Progress
Monitor Impact of Welfare Reform Act	On-going	In Progress
Optimising savings from Procurement – contracts register to be updated and maintained and spend analysis exercise to be completed to identify areas for potential savings	On-going	A collaborative arrangement has been entered into with Staffordshire County Council's Procurement Team to provide support. However, at present efforts are being focussed on supporting tendering exercises; this includes an element of delivering savings. It is planned that work on a more targeted programme of savings from procurement will commence in 2014-15.

<b>Overall Progress Summary:</b> New – no progress to report yet	AMBER
	