

Report of:	Head of Governance
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Portfolio Leader:	Corporate Improvement
Key Decision:	No
Report Track:	Audit & Governance Committee Only

AUDIT & GOVERNANCE COMMITTEE

1ST APRIL 2014

STRATEGIC RISK REGISTER

1 Purpose of Report

- 1.1 To set out details of the Council's Risk Management arrangements for managing the Strategic Risks facing the Council in delivering its objectives.

2 Recommendations

- 2.1 That the Committee note the progress during the third quarter of the 2013/2014 financial year.

3 Key Issues and Reasons for Recommendation

- 3.1 At the end of December 2013, the Council's risk profile has been reviewed and is summarised in the table below:

Risk Colour	Number of Risks at 1st April 2013	Number of Risks at 31st December 2013
Red	2	1
Amber	4	4
Green	0	1
TOTAL	6	6

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 the Council’s 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 At the end of Quarter 3 the number of strategic risks remains at 6. All risk scores have been reviewed and:
- 5 risks remain unchanged;
 - risk No 4 has reduced from a score of 12 to 8 but remains an Amber (medium) risk

The current risk profile is summarised in the table at 3.1. Full details, including the direction of travel for the period 31st March 2013 to 31st December 2013 can also be found attached at Appendix 1.

- 5.2 Actions have been identified to contain or reduce the risks 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.
- 5.3 A progress update for those actions due up to December 2013 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.
- 5.4 Additional information can be found in the Strategic Risk Register (Appendix 2) in the form of an ‘Overall Progress Summary’ for each risk, this is accompanied by a symbol to indicate whether progress is on target or otherwise. The table below outlines the overall progress made in reducing risks since 31st March 2013:

Progress Indicator		Current position
	No progress made in reducing the risk	0 Risks
	Some progress made in managing the risk	1 Risks
	Risk on target to be reduced	5 Risks

6 Implications**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 and appendices.

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.

SUMMARY OF STRATEGIC RISKS FOR 2013-14

Risk No	Potential Risks	Risk Owner	Date Added to Risk Register	Score at 31st March 2013	Score at 31st Dec 2013	Direction of Travel
RED/HIGH RISKS						
17	Viability/Funding of Cannock Chase Council arising from the 2013 Spending Review	Head of Finance	April 2013	16	16	↔
AMBER/MEDIUM RISK						
15	Failure to achieve an adopted Local Plan for the District	Head of Planning & Regeneration	Jun-11	12	12	↔
16	Impact of Benefit Reform	Head of Finance & Head of Housing & Waste Management	April 2013	15	9	↓
3	District's needs not recognised by external stakeholders	Chief Executive	Jun-11	8	8	↔
4	Commissioning and management of services	Corporate Director	Jun-11	12	8	↓
GREEN/LOW RISKS						
11	Lack of suitable land to create additional burial space within the district	Head of Commissioning	Jun-11	9	6	↓

Key to Direction of Travel

↓ Risk has decreased

↔ Risk level unchanged

↑ Risk has increased

STRATEGIC RISK REGISTER

Ref No: 3	Risk: Districts needs not recognised by external stakeholders locally and nationally	Score: 2 x 4 = 8
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Consequences Of Risk:

- Lack of access to external resources both locally and nationally
- Reduced potential to address County need
- Reduced potential to narrow disadvantage and inequality within the District and also between District and County regions

Risk Owner: Chief Executive

Portfolio: Economic Development & Planning

Links To Priority Delivery Plan for Prosperity:

- Facilitate economic growth through job creation


Controls in Place


- Participation and network within District and County Local Strategic Partnerships
- Membership and involvement of regional bodies i.e. Birmingham & Staffordshire Local Enterprise Partnership, HCA, Regional DCN.
- Membership of National and Regional District Chief Executives Network and West Midlands Councils
- Maximising opportunities presented by memberships and involvement in District Council's Network (i.e. collective consultation responses nationally) and the LGA.
- Maximising opportunities presented by involvement in Staffordshire's Chief Executive and Leaders network.
- Delivery strategies for desired outcomes are based on extensive research and information gathering across partner organisation
- Periodic meetings with the local MP

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 European funding transition status.

Appendix 2


Actions Planned	Timescale/Person Responsible	Progress/Comments
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	Further meetings to be held in February 2014 to agree the final Concordat.

Overall Progress Summary: A Cabinet decision was taken in September 2012 to pool Business Rates with the Greater Birmingham & Solihull LEP and the Council are actively involved and represented on the Board. The Council is also now represented on the Stoke & Staffordshire LEP Board. 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 
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Ref No: 4	Risk: Failure to ensure services are effectively commissioned, managed and deliver value for money		Score: 2 x 4 = 8
<p>Consequences Of Risk:</p> <ul style="list-style-type: none"> • Poor service • Complaints • Negative press • Lack of understanding of costs and/or performance • Expensive services • Poor performing services • Financial Loss • Not meeting identified needs of the district population 			
Risk Owner: Corporate Director		Portfolio: Corporate Improvement	
<p>Links To Priority Delivery Plans for Transformation:</p> <ul style="list-style-type: none"> • Provide services that are good value for money. 			
<p>Controls in Place:</p> <ul style="list-style-type: none"> • Head of Commissioning post • All current regulations & procedures (e.g. Financial Regulations, Contract Procedure Rules) • Cabinet Reports / Policies • Regulatory Bodies (e.g. Food Standards Agency) 			
Actions Planned	Timescale/Person Responsible	Progress/Comments	
Commissioning Strategy	QTR 4 Head of Commissioning	Work on this has not yet commenced.	
Wider Review of Voluntary Sector Commissioning	QTR 4 Head of Commissioning	Annual SLA's in place for Citizens Advice Bureau & Chase Advice Centre.	
<p>Overall Progress Summary: The approach to managing this risk is being reviewed as part of a wider piece of work regarding the Council's medium term financial strategy. Consideration is currently being given to how savings might be delivered in future years; service provision and value for money will be central to this work.</p>			<p>AMBER</p> 

Ref No: 11	Risk: Lack of suitable land to create additional burial space within the district	Score: 2 x 3 = 6
Consequences Of Risk: <ul style="list-style-type: none"> Negative Public Relations Criticism 		
Risk Owner: Head of Commissioning		Portfolio: Culture & Sport
Links To Priority Delivery Plan for People: <ul style="list-style-type: none"> Review burial space within the District 		
Controls in Place <ul style="list-style-type: none"> Identified 1 suitable site within district (subject to test holes) Members have given approval to look for alternative sites outside of the district 		

Actions Planned	Timescale/Person Responsible	Progress/Comments
Investigation into a potential site on the south side of the district.	QTR 4 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 are being installed to monitor the site over the coming summer.
Discuss with Members commencing search for alternative sites outside of the district	QTR 4 Parks & Open Spaces Manager	This will commence only if selected site is found to be unsuitable.
Extension of Stile Cop Cemetery	QTR 4 Parks & Open Spaces Manager	<p>The extension was approved by Cabinet in July.</p> <p>The planning application was submitted and approved in December 2013.</p> <p>The extension is currently being designed and detailed for specification/ bills of quantity in readiness for tendering.</p>

<p>Overall Progress Summary: 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. 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>GREEN</p> 
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Ref No: 15	Risk: Failure to achieve an adopted Local Plan for the District	Score: 3 x 4 = 12
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<p>Consequences Of Risk:</p> <ul style="list-style-type: none"> • Planning by appeal • Reduced ability to secure funding for infrastructure • Inability to deliver a planned spatial strategy for development of the district • Additional costs incurred from evidence base becoming obsolete
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Risk Owner: Head of Planning & Regeneration	Portfolio: Economic Development & Planning
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<p>Links To Priority Delivery Plan for Prosperity:</p> <ul style="list-style-type: none"> • Increase the economic, social and environmental prosperity of the District through sustainable development


<p>Controls in Place</p> <ul style="list-style-type: none"> • Process for consultation with the public, developers, stakeholders and partners • Process for engagement with members through Policy Development Committee • Process to secure Cabinet endorsement of Local Plan drafts
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Actions Planned	Timescale/Person Responsible	Progress/Comments
Examination of Local Plan	QTR 2 Head of Planning & Regeneration	The Examination of the Local Plan is completed. Inspectors report due January 2014.
Draft local plan to be developed on receipt of the Inspectors Report	QTR4 Head of Planning & Regeneration	

<p>Overall Progress Summary: Subject to the Inspectors Report the Council should be in a position to adopt Part 1 of the District Local Plan by mid-2014 or earlier.</p>	GREEN
	

Ref No: 16	Risk: Impact of Benefit Reform (e.g. Introduction of Universal Credit)	Score: MEDIUM 3 X 3 = 9
<p>Consequences Of Risk:</p> <ul style="list-style-type: none"> • Increased demand for services (additional workload, pressure on service delivery, additional resourcing etc.) • Increase in arrears on Council Tax • Impact on Rent Arrears 		
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"> • Manage the Council's Housing Stock • 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. 		
<p>Controls in Place</p> <ul style="list-style-type: none"> • Monitoring impact of localisation of Council Tax Support • Monitoring of arrears for localisation of Council Tax Support 		

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 th 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>Overall Progress Summary: 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: 17	Risk: Viability / Funding of Cannock Chase Council arising from the 2013 Spending Review	Score: RED 4x4=16
<p>Consequences Of Risk:</p> <ul style="list-style-type: none"> • Council size becomes too small to sustain a viable organisation • The Council is unable to deliver services to the needs of its population • Low staff morale 		
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"> • 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. 		
<p>Controls in Place:</p> <ul style="list-style-type: none"> • Annual Financial Plan and Medium Term Financial Strategy to 2016/17 in place • The 2013/14 Revenue Budget is balanced but requires support from balances • Comprehensive Service Review being undertaken on an annual basis • Corporate Budget Monitoring 		

Actions Planned	Timescale	Progress/Comments
Analysis of 2013 Spending Review & update the Financial Plan	July 2013	Completed – a report went to Cabinet in November.
Continue review of base budget to meet the anticipated funding deficit	Completed	These are reflected in the Base Budget Reports to Cabinet.
Review of all sources of finance for the Council	Completed	
Further examination of Shared Services opportunities	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)

Appendix 2

Actions Planned	Timescale	Progress/Comments
Establish arrangements for adequate planning control and monitoring of Business Rates, New Home Bonus Funding, Council Tax Discounts & Revenue Support Grants	Completed	Dedicated resource provided in Financial Services and these are reflected in Corporate Monitoring Reports.
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.

<p>Overall Progress Summary: The anticipated reductions in financial support provided by the government to the Council in future years are well publicised. Financial Services are continuing to closely monitor corporate resources available to the Council and are regularly updating projections of key sources of revenue for future years in light of government announcements. This early identification of the anticipated shortfall in resources going forward will be fundamental in developing service delivery strategies that will allow the Council to deliver efficient services with fewer resources.</p> <p>Whilst good progress has been made on actions, until the Implementation Plan has been agreed by Cabinet and the Council this will remain a Red (High) risk.</p>	<p>GREEN</p> 
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