

<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>Cabinet: 17/11/16 Audit &amp; Governance Committee: 29/11/16</b>

**CABINET  
17 NOVEMBER 2016  
STRATEGIC RISK REGISTER**

**1 Purpose of Report**

- 1.1 To set out details of the Council's Strategic Risk Register as at 1<sup>st</sup> October 2016 and Risk Management arrangements for managing the Strategic Risks facing the Council.

**2 Recommendations**

- 2.1 That Cabinet approves the Strategic Risk Register and considers the progress made in the identification and management of the strategic risks.

**3 Key Issues and Reasons for Recommendation**

- 3.1 All strategic risks and associated action plans have been reviewed and the Council's risk profile is summarised in the table below:

<b>Risk Colour</b>	<b>Number of Risks at 1 Apr 2016</b>	<b>Number of Risks at 1 Oct 2016</b>
Red	<b>2</b>	<b>2</b>
Amber	<b>3</b>	<b>3</b>
Green	<b>2</b>	<b>2</b>
<b>TOTAL</b>	<b>7</b>	<b>7</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 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 The Accounts & Audit Regulations 2015 state that:

"A relevant body must ensure that it has a sound system of internal control which:-

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk."

5.2 Risk can be defined as uncertainty of outcome (whether positive opportunity or negative threat). Risk is ever present and some amount of risk-taking is inevitable if the council is to achieve its objectives. The aim of risk management is to ensure that the council makes cost-effective use of a risk process that has a series of well-defined steps to support better decision making through good understanding of risks and their likely impact.

### Management of Strategic Risks / Opportunities




5.3 Central to the risk management process is the identification, prioritisation and management of strategic risks / opportunities. Strategic risks / opportunities have been identified and prioritised, action plans are in place for their effective management and delivery of the action plans is monitored. A summary of the Council's strategic risk register as at 1st October 2016 is attached at **Appendix 1**.

The risk summary illustrates the risks / opportunities using the "traffic light" method i.e.

RED	risk score 12 and above (action plan required to reduce risk and/or regular monitoring)
AMBER	risk score 5 to 10 (action plan required to reduce risk)
GREEN	risk score below 5 (risk tolerable, no action plan required)

- 5.4 The number of strategic risks remains at 7 and;
- All 7 risk scores remain unchanged;
  - No risks have been deleted and no new risks have been added.
- 5.5 A progress update for those actions due up to the end of September 2016 is included in the full strategic risk register attached at **Appendix 2**.
- 5.6 Additional information for red and amber risks can be found in the Strategic Risk Register (**Appendix 2**) in the form of an 'Overall Progress Summary' 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 1st April 2016:

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

The two green risks do not require action plans therefore there are no progress indicators for these.

<b>6 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 and appendices.

**6.8 Equality & Diversity**

None.

**6.9 Best Value**

None.

**7 Appendices to the Report**

Appendix 1            Summary of Strategic Risks 2016-17

Appendix 2            Strategic Risk Register – Detailed

**Previous Consideration**

None

**Background Papers**

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

Appendix 1SUMMARY OF STRATEGIC RISKS AS AT 01.10.16

Risk No	Potential Risks	Risk Owner	Date Added to Register	Score at Apr 2016	Score at Oct 2016	Direction of Travel over period reported
18	Viability/Funding of Cannock Chase Council as a result of public expenditure reductions and changes to Government's funding regime	Head of Finance	April 2014	12	12	↔
20	Impact on viability/funding of the Council's HRA due to the new government housing policies	Head of Housing & Waste Management	April 2015	12	12	↔
16	Impact of Welfare Benefit Reform	Heads of Finance and Housing & Waste Mgmt	April 2013	9	9	↔
19	The organisation does not have sufficient Management / Officer capacity to deliver its corporate priorities	Managing Director	April 2015	9	9	↔
21	Lack of coordinated and consistent approach for dealing with the Council's customers	Head of Commissioning	April 2015	9	9	↔
3	The District does not maximise all funding opportunities for economic growth, transport infrastructure, additional jobs and better skills for residents.	Head of Economic Development	June 2011 (Reworded Qtr 3 2014/15)	3	3	↔
22	Failure to engage with partners to reduce the health inequalities within the district	Heads of Commissioning and Env Health	April 2015	2	2	↔

**Key to Direction of Travel**

Risk has decreased



Risk level unchanged



Risk has increased



Cannock Chase District Council – Strategic Risk Register

Appendix 2


Ref No: 16	Risk: <b>Impact of Welfare Benefit Reform (e.g. Introduction of Universal Credit, Single Fraud Investigation Service etc.)</b>		
Risk Owner: Head of Finance / Head of Housing & Waste Management	Portfolio: Corporate Improvement, Health & Wellbeing and Housing.		
<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>• Increase in Rent Arrears;</li> <li>• Negative impact on ability to perform “Compliance” functions and adverse effect on income.</li> </ul>			
<p>Links To Priority Delivery Plan: Customers</p> <ul style="list-style-type: none"> <li>• Delivering Council services that are customer centred and accessible;</li> <li>• Making the best use of limited resources.</li> </ul>			
Gross Risk Score (ie without controls)	Likelihood: 4	Impact: 3	Total Score: <b>12 RED</b>
<p>Controls in Place</p> <ul style="list-style-type: none"> <li>• Manage the Council’s housing stock;</li> <li>• Monitoring impact of localisation of Council Tax Support;</li> <li>• Liaison with DWP on implementation timetable for Universal Credits;</li> <li>• Budget workshops for affected residents to better manage their budgets set up</li> </ul>			
Residual/Net Risk Score (ie with controls)	Likelihood: 3	Impact: 4	Total Score: <b>9 AMBER</b>
Provisional Assessment of Risk – does the residual risk score need to be reduced	YES*		

\*If the risk score needs to be reduced, please complete the action plan below

**Cannock Chase District Council – Strategic Risk Register**

**Appendix 2**

Actions Planned	Timescale/Person Responsible	Progress/Comments
Monitor impact of Benefit Reform to identify areas of concern.	Ongoing Head of Finance	An on-going monitoring routine is in place.
Identifying number of additional people falling into arrears with Council Tax payments	QRT 3 Head of Finance / Local Taxation & Benefits Manager	This forms part of the overall monitoring.
Introduction of Tenancy Sustainment Service	QRT 2 Head of Housing & Waste Management	Tenancy Sustainment Officer (TSO) seconded to work on Troubled Families Programme. Wider housing team to manage super light cases. TSO will support new tenants with budgeting and sign posting. Post of Money Manager Team Leader filled.

<p><b>Overall Progress Summary:</b> The full impact of benefit reform cannot be determined until the phased introduction of Universal Credits. The impact of existing reforms continues to be monitored.</p> <p>The emphasis has been shifted to look more holistically at pursuing rent recovery in line with the roll out of Universal Credit and impact of welfare reforms.</p>	<b>AMBER</b>
	



Cannock Chase District Council – Strategic Risk Register

Appendix 2


Ref No: 18	Risk: <b>Viability / Funding of Cannock Chase Council as a result of public expenditure reductions and changes to Government’s funding regime</b>		
Risk Owner: Head of Finance	Portfolio: This risk cuts across all Portfolio’s		
Consequences Of Risk: <ul style="list-style-type: none"> <li>• Council size becomes too small to sustain a viable organisation;</li> <li>• Unable to provide desired levels of service</li> </ul>			
Links To Priority Delivery Plan: Customers <ul style="list-style-type: none"> <li>• Delivering Council services that are customer centred and accessible;</li> <li>• Making the best use of limited resources</li> </ul>			
Gross Risk Score (ie without controls)	Likelihood: 4	Impact: 5	Total Score: <b>20 - RED</b>
Controls in Place <ul style="list-style-type: none"> <li>• Medium term financial plan in place</li> <li>• Annual Financial Plan and Medium Term Financial Strategy in place</li> <li>• The 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>• Evaluation of consultation on changes to government funding regimes</li> </ul>			
Residual/Net Risk Score (ie with controls)	Likelihood: 4	Impact: 3	Total Score: <b>12 - RED</b>
Provisional Assessment of Risk – does the residual risk score need to be reduced	YES*		

\*If the risk score needs to be reduced, please complete the action plan below

**Cannock Chase District Council – Strategic Risk Register**

**Appendix 2**

Actions Planned	Timescale/Person Responsible	Progress/Comments
Responding to Government proposed legislation in relation to key funding regimes	On-going	Response to New Homes Bonus consultation made.
Determine impact of Government proposals for key funding regime	On-going	In Progress
Production and refresh of medium term financial plan	On-going	In Progress
Refresh Budget Strategy to ensure external funding sources maximised and efficient and effective use of all resources	On-going	Completed as part of the 2017/18 Financial Recovery Plan.
Lobbying to Central Government on any proposed changes to Local Government Funding	On-going	Responses submitted in relation to self-sufficient local government, 100% business rates retention and fair funding review. Call for evidence on needs and re-distribution.
Lobbying to Central Government as a result of closure of Rugeley Power Station	On-going	
Financial Recovery Plan	QTR 2	Submitted to Cabinet in September 2016 and now out for consultation

<p><b>Overall Progress Summary: The financial position of the Council is being updated on a regular basis and lobbying of the government undertaken where necessary. Consultation responses submitted – now awaiting government response. Financial Recovery Plan approved and currently out for consultation as part of the overall budget process.</b></p>	<p><b>AMBER</b></p>
	

## Cannock Chase District Council – Strategic Risk Register

Appendix 2


Ref No: 19	Risk: <b>The organisation does not have sufficient Management / Officer capacity to deliver its corporate priorities (e.g. Corporate Plan &amp; PDP's)</b>		
Risk Owner: Managing Director		Portfolio: This risk cuts across all portfolio's	
Consequences Of Risk: <ul style="list-style-type: none"> <li>The Council's priorities are not fully delivered with impact on residents / the public.</li> </ul>			
Links To Priority Delivery Plan: This Risk Links To All Priority Delivery Plans			
Gross Risk Score (ie without controls)	Likelihood: 4	Impact: 3	Total Score: <b>12 RED</b>
Controls in Place <ul style="list-style-type: none"> <li>Scoping of management capacity for delivery of PDP's by Heads of Service (Assessments of Management Capacity)</li> <li>Management capacity issues are monitored by Leadership Team;</li> <li>Adherence to Sickness Management Policy</li> </ul>			
Residual Risk/Net Score (ie with controls)	Likelihood: 3	Impact: 3	Total Score: <b>9 AMBER</b>
Provisional Assessment of Risk – does the residual risk score need to be reduced		YES*	

\*If the risk score needs to be reduced, please complete the action plan below

## Cannock Chase District Council – Strategic Risk Register

Appendix 2

Actions Planned	Timescale/Person Responsible	Progress/Comments
Ensuring that all priorities in the PDP's are resources appropriately	Ongoing  All Heads of Service	The majority of PDP priorities are on target but there are a small number of Yellow 'not on target' areas in part due to management capacity.
Where necessary, considering whether resources from other parts of the Council can be transferred for a period.	Ongoing  Managing Director / Leadership Team	PDP Priorities not on target are being reviewed by Leadership Team and resource implications are being re-considered.
Leadership Team maintaining an overview of performance through "managing the business" performance indicators	Ongoing Managing Director / Leadership Team	Quarterly Performance Indicator reports agreed for 2016 / 2017
Requests for additional projects may be refused or deferred until subsequent year(s)	Ongoing  Managing Director	A number of requests for new projects in year have had to be refused in order to protect delivery of the Council's agreed Corporate Priorities.

<p><b>Overall Progress Summary:</b> : Overall the Councils management capacity is being monitored closely and action has already been taken by not accepting new project requests in year in order to protect capacity to deliver the agreed PDP priorities.</p> <p>In light of the Council's financial position from 2017-2018 onwards a review of the Council's management structure is currently being undertaken.</p>	<b>AMBER</b>
	

Cannock Chase District Council – Strategic Risk Register

Appendix 2

Ref No: 20	Risk: : <b>Impact on viability/funding of the Council’s HRA due to the new government housing policies (e.g. 1% rent reduction &amp; sale of higher value properties)</b>		
Risk Owner: Head of Housing & Waste Management		Portfolio: Housing	
<p>Consequences Of Risk:</p> <ul style="list-style-type: none"> <li>• Loss of Rent</li> <li>• Loss of stock leading to increased waiting times</li> <li>• Impact on 30 year housing plan</li> <li>• Impact on ability to build / provide new housing</li> <li>• Potential reduction in level of maintenance and improvement to Council stock</li> </ul>			
<p>Links To Priority Delivery Plan for More &amp; Better Housing.</p> <ul style="list-style-type: none"> <li>• Planning for the housing needs of the district;</li> <li>• Increasing the supply of affordable housing Links To Priority Delivery Plan:</li> </ul>			
Gross Risk Score (ie without controls)	Likelihood: 4	Impact: 5	Total Score: <b>20 RED</b>
<p>Controls in Place</p> <ul style="list-style-type: none"> <li>• 30 Year business plan;</li> <li>• Medium Term Budget &amp; Capital Programme.</li> </ul>			
Residual/Net Risk Score (ie with controls)	Likelihood: 4	Impact: 3	Total Score: <b>12 RED</b>
Provisional Assessment of Risk – does the residual risk score need to be reduced		YES*	

\*If the risk score needs to be reduced, please complete the action plan below

## Cannock Chase District Council – Strategic Risk Register

Appendix 2

Actions Planned	Timescale/Person Responsible	Progress/Comments
Review of 30 year business plan and report to Cabinet	Quarter 3 Head of Finance	In Progress
Lobbying of Central Government by District Council's network. (LGA, MP's etc.)	Ongoing Head of Finance	Information provided to the network
Review of allocations policy	Quarter 4 Head of Housing & Waste Management	Scrutiny review commenced – research best practice due for completion March 2017
Sale of higher value voids	Quarter 4 Head of Housing & Waste Management	Information submitted to Government January 2016 – awaiting regulatory guidance.

**Overall Progress Summary:** The 30 year review of the HRA Business Plan is completed, report to Cabinet in December 2015. Budget currently being finalised for 16/17.

AMBER



Cannock Chase District Council – Strategic Risk Register

Appendix 2


Ref No: 21	Risk: <b>Lack of coordinated and consistent approach for dealing with the Council's customers</b>		
Risk Owner: Head of Commissioning		Portfolio: Corporate Improvement	
Consequences Of Risk: <ul style="list-style-type: none"> <li>• Complaints;</li> <li>• Customer's needs and expectations not met;</li> <li>• Negative PR.</li> </ul>			
Links To Priority Delivery Plan: <b>Customers</b> <ul style="list-style-type: none"> <li>• Delivering Council services that are customer centred and accessible;</li> <li>• Making the best use of limited resources.</li> </ul>			
Gross Risk Score (ie without controls)	Likelihood: 5	Impact: 3	Total Score: <b>15 RED</b>
Controls in Place <ul style="list-style-type: none"> <li>• Corporate complaints procedure;</li> <li>• Appeals and Complaints Panel.</li> </ul>			
Residual/Net Risk Score (ie with controls)	Likelihood: 3	Impact: 3	Total Score: <b>9 AMBER</b>
Provisional Assessment of Risk – does the residual risk score need to be reduced		YES*	

\*If the risk score needs to be reduced, please complete the action plan below

**Cannock Chase District Council – Strategic Risk Register**

**Appendix 2**

Actions Planned	Timescale/Person Responsible	Progress/Comments
Development of Customer Services Strategy & seek Cabinet Approval	QTR. 3 16/17	Customer Services Standards to be incorporated within the strategy have been drafted.
Implement electronic web-based forms	QTR. 3	Completed
Development of mobile app.	QTR 1 16/17	Mobile app has been developed with regard to Waste Services and launched during QTR 2 16/17

<p><b>Overall Progress Summary:</b> : The focus has been on delivering improvements to on-line forms to be launched in line with the Council’s new website and development of the mobile app. The mobile application has been launched as planned.</p>	<p><b>AMBER</b></p>
	






Cannock Chase District Council – Strategic Risk Register

Appendix 2

In accordance with the Risk Management Strategy, the green risks below are deemed to be tolerable (with existing controls in place) and will be monitored but require no further action at this time.

<b>GREEN RISKS</b>			
<i>Risk No:</i>	<i>Risk Owner</i>	<i>Risk:</i>	<i>Score:</i>
3	Head of Economic Development	The District does not maximise all funding opportunities for economic growth, transport infrastructure, additional jobs and better skills for residents	<b>3</b>
22	Head of Environmental Health	Failure to engage with partners to reduce the health inequalities within the district	<b>2</b>

**KEY TO PROGRESS SYMBOLS**

<b>Progress Indicator</b>	
	No progress made in reducing the risk
	Some progress made in managing the risk
	Risk on target to be reduced