

Report of:	Head of Governance
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Key Decision:	No
Report Track:	Audit & Governance Committee Only

AUDIT & GOVERNANCE COMMITTEE

19 NOVEMBER 2013

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 second quarter of the 2013/2014 financial year.

3 Key Issues and Reasons for Recommendation

- 3.1 At the end of September 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 30th September 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

2nd Quarter Review

5.4 At the end of Quarter 2 the number of strategic risks remains at 6. All risk scores have been reviewed and:

- 4 risks remain unchanged;
- Risk number 11 has reduced from Amber (Medium) to Green (Low)
- Risk number 16 has reduced from Red (High) to Amber (Medium)




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 30th September 2013 can also be found attached at Appendix 1.

5.5 During the 2nd Quarter review errors were identified in the risk scores when last reported to the Audit & Governance Committee. Risk numbers 16 and 17 were both given a score of 18 due to an incorrect scoring matrix having been used; the correct scores should have been (Red) 15 for risk number 16 and (Red) 16 for risk number 17. Changes to the risk profile for Quarter 2 are based on the correct scores.

5.6 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.

5.7 A progress update for those actions due up to September 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.

5.8 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 following table outlines the overall progress made in reducing risks since 31st March 2013:

Progress Indicator		Current position
	No progress made in reducing the risk	1 Risks
	Some progress made in managing the risk	2 Risks
	Risk on target to be reduced	3 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.

Appendix 1**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 30th Sept 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						
4	Commissioning and management of services	Corporate Director	Jun-11	12	12	↔
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	12	↓
3	District's needs not recognised by external stakeholders	Chief Executive	Jun-11	8	8	↔
GREEN/LOW RISKS						
11	Lack of suitable land to create additional burial space within the district	Head of Commissioning	Jun-11	9	6	↓
RISKS REMOVED AS PART OF THE ANNUAL REVIEW – APRIL 2013						
Risk No	Potential Risks	Risk Date	Apr 2012	Apr 2013		Direction of Travel
13	Refurbishment of Chase Leisure Centre	2011	Medium	Medium		↔
1	Insufficient Capacity	2008	Medium	Medium		↔

2	Lack of Staff Wellbeing/Low Morale	2011	Medium	Medium		↔
10	Regeneration strategy for Moss Estate, Chadsmoor	2011	Medium	Medium		↔
5	Decision making is not evidence based	2011	Medium	Low		↓
7	Shared Services with Stafford Borough Council	2011	Medium	Low		↓
8	Budget Assumptions do not deliver required savings	2011	Medium	Low		↓
12	Adaptations (DFGs)	2011	High	Low		↓

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
<p>Consequences Of Risk:</p> <ul style="list-style-type: none"> • 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
<p>Links To Priority Delivery Plan for Prosperity:</p> <ul style="list-style-type: none"> • Facilitate economic growth through job creation 		
<p>Controls in Place</p> <ul style="list-style-type: none"> • 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 		

Appendix 2


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.
Council response to the Mid Staffordshire Hospital Trust Administrators report	QTR3 Chief Executive	The Council will respond to the published report by the end of October 2013 deadline.
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	Concordat is currently in draft form for final agreement be end 2013.

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



Appendix 2


Ref No: 4	Risk: Failure to ensure services are effectively commissioned, managed and deliver value for money		Score: 3 x 4 = 12
<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: Due to the recent Senior Management restructure, the Head of Commissioning took on additional responsibilities therefore delivering progress and developing controls to manage these risks will be slower than anticipated.</p>			<p>RED</p> 

Appendix 2

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	Test holes have been sunk at the selected site and monitoring of these has commenced and has been extended into the new year. A Report was due to go to Cabinet in early 2013 but due to the wet year and snow the test results proved inconclusive, further tests were undertaken during this summer. It is expected that test results will be ready for interpretation before the end of the summer 2013.
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	The extension was approved by Cabinet in July. The planning application will be submitted in October 2013.


Appendix 2

<p>Overall Progress Summary: Progress on the potential site has been 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 for their consideration.</p> <p>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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Appendix 2

Ref No: 15	Risk: Failure to achieve an adopted Local Plan for the District	Score: 3 x 4 = 12
<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 		
Risk Owner: Head of Planning & Regeneration		Portfolio: Economic Development & Planning
<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 		


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.

<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
	

Appendix 2

Ref No: 16	Risk: Impact of Benefit Reform (e.g. Introduction of Universal Credit)	Score: MEDIUM 3 X 4 = 12
<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 		

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		A report is going to Cabinet on 19 th September to agree some mitigating actions.
Identifying number of households falling into arrears with Council Tax payments	On-going	Quarterly reports are being developed.

<p>Overall Progress Summary: It is considered that, subject to the actions outlined in the report to Cabinet in September being agreed, some of the adverse impacts will be mitigated.</p>	AMBER
	

Appendix 2

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 is due to go to Cabinet in November.
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
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.
Establish arrangements for adequate planning control and monitoring of Business Rates, New Home Bonus Funding, Council Tax Discounts & Revenue Support Grants	June 2013	Dedicated resource provided in Financial Services

Appendix 2

Actions Planned	Timescale	Progress/Comments
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	Review of procurement function currently underway to identify additional capacity to support this work

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.

AMBER

