

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

23 JUNE 2015

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 fourth quarter of the 2014/2015 financial year.

3 Key Issues and Reasons for Recommendation

- 3.1 At the end of March 2015, the Council's risk profile has been reviewed and is summarised in the table below:

Risk Colour	Number of Risks at 31 December 2014	Number of Risks at 31 March 2015
Red	0	0
Amber	4	4
Green	0	0
TOTAL	4	4

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 4 the number of strategic risks remains at 4. All risk scores have been reviewed and:




- 3 risks remain unchanged;
- risk No 11 has decreased from a score of 12 to 8 to reflect progress on actions planned 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 30th December 2014 to 31st March 2015 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 March 2015 is included in the full strategic risk register attached at Appendix 2.

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 2014:

Progress Indicator		Current position
	No progress made in reducing the risk	0 Risks
	Some progress made in managing the risk	0 Risks
	Risk on target to be reduced	4 Risks

6	Implications
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6.1	Financial
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	None
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6.2	Legal
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	None
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6.3	Human Resources
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	None
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6.4	Section 17 (Crime Prevention)
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	None
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6.5	Human Rights Act
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	None
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6.6	Data Protection
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	None
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6.7	Risk Management
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	The Risk Management implications are included within the body of the report and appendices.
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6.8	Equality & Diversity
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	None
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6.9	Best Value
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	None
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7	Appendices to the Report
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	Appendix 1 – Summary of Strategic Risks 2014-15 Appendix 2 – Strategic Risk Register – Detailed
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Previous Consideration

None

Background Papers

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

Appendix 1**SUMMARY OF STRATEGIC RISKS FOR 2014-15**

Risk No	Potential Risks	Risk Owner	Date Added to Risk Register	Score at 30 Dec 2014	Score at 31 Mar 2015	Direction of Travel
18	Viability/Funding of Cannock Chase Council as a result of public expenditure reductions	Head of Finance	April 2014	12	12	↔
16	Impact of Benefit Reform	Head of Finance & Head of Housing & Waste Management	April 2013	12	12	↔
11	Lack of suitable land to create additional burial space within the district	Head of Commissioning	June 2011	12	8	↓
3	The District does not maximise all funding opportunities for economic growth, additional jobs and better skills for residents.	Managing Director	June 2011 (Reworded Qtr 3 2014/15)	8	8	↔

Key to Direction of Travel

↓ Risk has decreased

↔ Risk level unchanged

↑ Risk has increased

STRATEGIC RISK REGISTER

Ref No: 3	Risk: The District does not maximise all funding opportunities for economic growth, transport infrastructure, additional jobs and better skills for residents.	Score: 2 x 4 = 8 MEDIUM
Consequences Of Risk: <ul style="list-style-type: none"> Reduced potential to narrow disadvantage and inequality within the District and also between District and County regions 		
Risk Owner: Managing Director		Portfolio: Economic Development & Planning
Links To Priority Delivery Plan for Prosperity: <ul style="list-style-type: none"> Facilitate economic growth through job creation 		
Controls in Place <ul style="list-style-type: none"> Participation and network within District and County Local Strategic Partnerships (LSP) Membership and active involvement in the Greater Birmingham & Solihull (GBSLEP) and the Stoke & Staffordshire Local Enterprise Partnerships (LEPs) The Managing Director is a member of the GBSLEP Growth Team 		

Actions Planned	Timescale/Person Responsible	Progress/Comments
Identify funding opportunities externally	On-going Head of Economic Development	The Council was successful in securing Growing Places Funds and business support funds. It is hoped that the Council will also benefit from European funding transition status to secure European Structural Investment Fund (ESIF) and other EU funding sources.
Review the Council's approach to apprenticeship opportunity and working with the JobCentre, DWP and Higher Education.	Managing Director, Head of Economic Development	New action to be pursued in 2015/16

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 Managing Director 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.

The Planning Application for the proposed Mill Green Outlet Village has been received.

The potential West Midlands Combined Authority is being explored to determine if there are any potential benefits for the residents of Cannock Chase.

GREEN



Ref No: 11	Risk: Lack of suitable land to create additional burial space within the district	Score: 2 x 4 = 8 MEDIUM
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 Approval and planning application completed for the extension of Stile Cop Cemetery 		

Actions Planned	Timescale/Person Responsible	Progress/Comments
Investigation into a potential site on the south side of the district.	Ongoing Parks & Open Spaces Manager	<p>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 Natural England and tests are continuing to monitor the suitability and feasibility of this site.</p> <p>Planning permission has been granted. Exchange of contracts, subject to the results of the due diligence tests, anticipated Quarter 1 2015/16</p>

Actions Planned	Timescale/Person Responsible	Progress/Comments
Due diligence tests	Quarter 1 2015/16	Results anticipated Quarter 2
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.
Extension of Stile Cop Cemetery	Quarter 4 2014/15 Parks & Open Spaces Manager	Completed
Review capital and revenue costs for new cemetery	Quarter 3 & 4 2015/16	Subject to results of due diligence tests.

Overall Progress Summary:

Planning permission granted and further due diligence tests planned for Quarter 1 2015/16.

The Stile Cop Cemetery Extension has been completed.

The risk score has been reduced to reflect the progress on actions however; a further review of the score will be carried out when the results of the due diligence tests are known.

GREEN

Ref No: 16	Risk: Impact of Benefit Reform (e.g. Introduction of Universal Credit, Single Fraud Investigation Service etc)	Score: 3 x 4 = 12 MEDIUM
<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 Negative impact on ability to perform "Compliance" functions and adverse effect on income 		
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 Discretionary Housing Policy in place for 14/15 & 15/16 Creation of Compliance Team to protect income from Council Tax, Business rates and DWP grants and subsidy. 		

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.
Number of households falling into arrears with Council Tax payments monitored	On-going	Quarterly reports have been developed.
Review of Local Council Tax Reduction Scheme, in 2015/16	Quarter 1 & Quarter 2 2015/16	Completed
Contingency plan and structure to deal with the single fraud initiative	Quarter 4	Transfer date 1 July 2015 Formal Consultation commenced and is ongoing.

As at 31st March 2015

Actions Planned	Timescale/Person Responsible	Progress/Comments
		Compliance Team to be developed Quarter 1 2015/16

Overall Progress Summary: A recent analysis of arrears to date indicates that the impact of welfare reform is likely to impact upon arrears for both Council Tax and Rent.

The full impact of benefit reform cannot be determined until the phased introduction of Universal Credits commencing in 2015/16. The impact of existing reforms continue to be monitored.

GREEN



Ref No: 18	Risk: Viability / Funding of Cannock Chase Council as a result of public expenditure reductions	Score: 4 x 3 = 12 MEDIUM
<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 2015/16 Revenue Budget is balanced but requires support from balances • Comprehensive Service Review being undertaken on an annual basis • Corporate Budget Monitoring • Arrangements for adequate planning control and monitoring of business rates in place • Working balances are maintained at a sufficient level to ensure the viability of the Council in the medium term. 		

Actions Planned	Timescale	Progress/Comments
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	Completed
Delivering Change process to be refreshed for 2015/16 & 2016/17 budgets	On-going	Completed

As at 31st March 2015

Actions Planned	Timescale	Progress/Comments
Monitor Impact of Welfare Reform Act	On-going	In Progress
Response to the Independent Commission on Local Government Finance	Quarter 2	Completed

Overall Progress Summary:

The resolution of the business rate pooling issue with the Greater Birmingham & Solihull LEP has had a positive effect on the Council's financial situation and resulted in the risk being reduced from High (Red) to Medium (Amber) at the end of Quarter 1.

The financial position of the Council is being updated on a regular basis and lobbying of the government undertaken where necessary.

The budget for 2015/16 to 2017/18 was approved by Council in February 2015. A balanced budget exists for 15/16 and 16/17 and members agreed a budget strategy to reduce the budget gap for 2017/18. Further work needs to be undertaken in relation to this.

GREEN