

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

18 NOVEMBER 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 consider the progress during the second quarter of the 2014/15 financial year.

3 Key Issues and Reasons for Recommendation

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




Risk	Number of Risks at 30 th June 2014	Number of Risks at 30 th September 2014
High (Red)	0	0
Medium (Amber)	4	4
Low (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 2 the number of strategic risks remains at 4. All risk scores have been reviewed and remain unchanged.
- 5.2 The current risk profile is summarised in the table at 3.1. Full details, including the direction of travel for the period 1st June 2014 to 30th September 2014 can also be found attached at Appendix 1.
- 5.3 Actions have been identified to contain or reduce the Medium risks 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 September 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 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 1st April 2014:

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	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 2014-15

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 2014-15

Risk No	Potential Risks	Risk Owner	Date Added to Risk Register	Score at 01 Apr 2014	Score at 30 Jun 2014	Score at 30 Sept 2014	Direction of Travel
MEDIUM/AMBER RISKS							
18	Viability/Funding of Cannock Chase Council as a result of public expenditure reductions	Head of Finance	April 2014	16	12	12	↔
16	Impact of Benefit Reform	Head of Finance & Head of Housing & Waste Management	April 2013	12	12	12	↔
11	Lack of suitable land to create additional burial space within the district	Head of Commissioning	June 2011	9	9	9	↔
3	District's needs not recognised by external stakeholders	Chief Executive	June 2011	8	8	8	↔

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 MEDIUM
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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
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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 (LSP)
- Membership and involvement of regional bodies i.e. Birmingham & Staffordshire Local Enterprise Partnership (LEP), 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 business support funds. It is hoped that the Council will also benefit from European funding transition status.


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	The Concordat has not yet been finalised. Work on this is now on hold pending the appointment of a new Chief Executive at the County Council. Work is underway to develop a district commissioning model for health with the County Council and the CCG.

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	Risk: Lack of suitable land to create additional burial space within the district	Score: 3 x 4 = 12 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>An agreement in principle has been reached to purchase the site subject to planning permission being granted for its intended use. Planning applications will be submitted during Quarter 3. Subject to planning approval in Quarter 4 the site will be acquired in 2015/16.</p>

Actions Planned	Timescale/Person Responsible	Progress/Comments
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	QTR 4 14/15 Parks & Open Spaces Manager	The extension was approved by Cabinet in July. The planning application was submitted and approved in December 2013. Quarter 2: Specification for work has been issued. Quarter 3: Tender, Conclusion and Appointment Quarter 4: Start on site.

<p>Overall Progress Summary:</p> <p>Extensive testing to fully determine the feasibility of the site is continuing and the planning applications are on track to be submitted in Quarter 3 (2014/15).</p> <p>With regard to Stile Cop Cemetery, the specification for the works has been issued in Quarter 2 as planned and tender submission on track for receipt in Quarter 3 (October 2014).</p>	AMBER
	

Ref No: 16	Risk: Impact of Benefit Reform (e.g. Introduction of Universal Credit)	Score: 3 x 3 = 9 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 		
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 		

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.
Contingency plan and structure to deal with the single fraud initiative	Qtr 4	Fraud Hub being considered for Staffordshire.

Overall Progress Summary: The impacts that have arisen have been addressed but further impacts envisaged in 14/15.	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 		

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	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
Response to the Independent Commission on Local Government Finance	Qtr 2	The Council's response has been submitted

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.

GREEN