

Report to: **Audit and Best Value Scrutiny Committee**
Date: **21 November 2007**
By: **Deputy Chief Executive and Director of Corporate Resources**
Title of report: **Strategic Risk Monitoring**
Purpose of report: **To update the Audit and Best Value Committee on current strategic risks, their status and mitigating actions**

Audit and Best Value Scrutiny Committee are recommended to note the current strategic risks, update of their status and the mitigating actions being proposed and implemented by Chief Officers.

1. Financial Implications

1.1 There are no direct additional financial implications resulting from this report. There are, however, significant financial implications that could arise from a failure to operate sound risk management regime.

2 Introduction

2.1 The Strategic Risk log is reported to Cabinet and the Audit and Best Value Committee each year as an appendix to the annual Risk Management report. In addition to this, the Strategic Risk log will periodically be reported to Cabinet and the Audit and Best Value Committee to provide a continuing insight into the council's strategic risk profile. This includes a description of the mitigation actions taken to manage the identified risks and a subjective review of the status of the risk since the last review i.e. improved, the same or worse.

3 Overview of the Strategic Risk Log

3.1 For most risks detailed in the Strategic Risk Log, the perceived level of risk is considered to be unaltered from the review carried out in July 2007. The main areas where the level of risk is perceived to be 'high', in terms of likelihood and impact, remain the risks associated with the delivery of Adult Social Care Services, Waste Management, partnership working and budgetary / funding issues, although the perceived risk in these areas has not increased since the last review.

3.2 The Strategic Risk Log also identifies a 'new' risk (30) relating to the 'Failure to establish a hard federation in Hastings to improve standards at Key Stage 3 and 4'.

3.3 No existing risks have been removed from the Strategic Risk log for this review.

SEAN NOLAN
Deputy Chief Executive and Director of Corporate Resources

Contact Officer: Rawdon Phillips 01273 481593

Local Members: All

The Strategic Risk Management log for 2007/08 (last considered by Cabinet – July 2007)

	Countywide Themes	Inherent Likelihood (4 = high)	Lead Coordinating Officer on behalf of COMT	Impact (4 = High)	Sept 07 View (w)orse (s)ame (i)mproved
1	Failure to recruit and retain key staff in particular areas.	3	Andrew Ogden	3	(I) S
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Market Research improved • Development of a flexible pay and reward strategy and recruitment incentives including housing • Improved Employer Brand • Workforce Strategy produced • Development of career pathways, e.g. trainee social worker programmes, CIPFA training programme • Use of specialist headhunters. • Development of e-recruitment subject to funding. • New advertising style. • Flexible retirement policy. 				
2	Capacity overload, in terms of necessary change initiatives, falling on a relatively small number of key staff across the Council but also impact on the maintenance of existing core deliverables.	3	Andrew Ogden	3	(S) I
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Increasing the take up of the Leadership and Management Development Programmes in place • Workforce Strategy produced • Flexible rewards for excellent performance put in place • Use of Management Capacity Reserve and agreed second year of provision. • More on-line training available. • CPA “staff capacity to deliver the priorities is good” • Sickness absence continues to reduce. 				
3	Failure to maintain both the morale and improving motivation, of all staff, but also addressing key cultural barriers to Council-wide improvement.	2	Cheryl Miller	3	(S) I

	Countywide Themes	Inherent Likelihood (4 = high)	Lead Coordinating Officer on behalf of COMT	Impact (4 = High)	Sept 07 View (w)orse (s)ame (i)mproved
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Follow-up on new staff survey and Corporate Assessment. • Implement Internal Communications Strategy. • Local and national recognition of outstanding performance. • Increasing understanding and delivery of RP&R and ESCC Promise. • CPA “officers are clear about what is expected of them” and “there is a strong performance driven culture”. 				
4	<p>Failure to meet the challenge of reconciling and sustaining the all round improvement agenda and policy priorities with the future resource outlook and short term capping threat – and ensuring the maximum contribution from the efficiency agenda.</p>	4	Sean Nolan	4	(S) S
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Reconciling Policy and Resources Framework • Related performance management framework • Communication/consultation plan • Lobbying plan, work of scrutiny • Establishment of forward cash limits and allocations, 3 year service planning. • Work of Productivity Board (inc. Invest to Save and cultural change programme). • Income Board established • Shared services work as part of commitment to improve three tier working. 				
5.	<p>Failure to avoid the almost generically risky and volatile budget areas (e.g. Social Care, special needs, home to school transport etc.) dominating, in financial terms, other service priorities</p>	4	Sean Nolan	4	(S) S
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Normal departmental and county-wide budget and performance monitoring. • Enhanced budget monitoring processes. 				

	Countywide Themes	Inherent Likelihood (4 = high)	Lead Coordinating Officer on behalf of COMT	Impact (4 = High)	Sept 07 View (w)orse (s)ame (i)mproved
	<ul style="list-style-type: none"> • Specific tracking of NHS debt. • Specific focus on capital monitoring. 				
6.	<p>Reputational damage to the Council's sense of confidence and motivation from:</p> <ul style="list-style-type: none"> • Failure to manage, effectively, communication of controversial areas. • Single major avoidable incident/failure • External assessments (e.g. CA/ JAR etc) • Residents not recognising improvements • Avoidable service mistakes 	<p>2</p> <p>1</p> <p>2</p> <p>2</p> <p>2</p>	<p>Becky Shaw</p> <p>Cheryl Miller</p> <p>Cheryl Miller</p> <p>Becky Shaw</p> <p>Cheryl Miller</p>	<p>4</p> <p>4</p> <p>4</p> <p>2</p> <p>3</p>	<p>(S) S</p> <p>(S) S</p> <p>(I) S</p> <p>(W) S</p> <p>(S) S</p>
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Medium Term communication strategy in place in including agreed processes to ensure planning of key messages for controversial issues. • Departmental communications structure (including department officers) and forward plan implemented. • 'Your County' and media plans in place. Corporate and service issues consultation in place/developing • Robust performance management (inc risk management) in place. • Planned strengthening of Customer Focus. • Plans for thorough preparations for inspections in place. • Corporate Assessment Action Plan implemented and integrated into future business plan where appropriate. 				
7.	<p>Failure to handle, successfully, the increasingly complex partnership agenda (e.g. LAA, health reconfiguration, Lyons, Community Safety, shared services etc.)</p>	4	Becky Shaw	3	(S) S
	<u>Mitigating Actions</u>				

	Countywide Themes	Inherent Likelihood (4 = high)	Lead Coordinating Officer on behalf of COMT	Impact (4 = High)	Sept 07 View (w)orse (s)ame (i)mproved
	<ul style="list-style-type: none"> • LAA process transparent and integrated with Reconciling Policy and Resources. • Ongoing and robust responses to proposed Government arrangements. • 'East Sussex in Figures' (Data observatory) in place. • Formal engagement with health arrangements in place. • Ongoing development of locality working (see 10). • Improved joint working shared services being developed. • Effective County level Partnership Community Safety Group established to improve co-ordination in context of likely significant reduction of national funding to local level. 				
8.	Failure to achieve expected standards in key service areas or deterioration in high performing areas	2	Becky Shaw	3	(S) W
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Close involvement in performance monitoring by Cabinet and Scrutiny Members • Reconciling Policy and Resources and Strategic Risk Management to highlight potential areas of weakness • Sustained focus on performance/ improvement achievement • Quarterly monitoring reports to full Council require detailed comments to support amended actions if performance is not on track • East Sussex in Figures will assist monitoring of customer impacts. • Consultation processes strengthened (toolkit and co-ordination). 				
9.	Failure to be truly customer focussed (including access and local presence)	3	Sean Nolan/Becky Shaw	3	(S) S
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Links to Productivity agenda and Reconciling Policy and Resources • Successful E-Government strand (i.e. web, hubs, kiosks etc) • Work on defining excellence in customer focus and associated action plan 				

	Countywide Themes	Inherent Likelihood (4 = high)	Lead Coordinating Officer on behalf of COMT	Impact (4 = High)	Sept 07 View (w)orse (s)ame (i)mproved
	<p>developing.</p> <ul style="list-style-type: none"> Local and national surveys analysed and used to inform service planning. Variety of service initiatives. 				
10.	Work at locality level not recognised	3	Becky Shaw	2	(S) S
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> Robust Partnership structures in place Strong and developing service based structures for delivery and planning. Proactive monitoring of national changes and local expectations. Training in place to provide improved focus on role of local Members. ESIF and Map viewer provided readily accessible local data. Review to undertaken 2007/08. Careful monitoring of new legal obligations under Local Govt Act to ensure compliance Development of strengthened three tier working including approach to shared services 				
11.	Failure to secure coherent “Age Well” PFI or PPP Scheme (ASC)	3	Keith Hinkley	3	(S) S
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> Age Well funding approval (PFI) and affordability confirmed at Expression of Interest stage and Outline Business Case, submitted. Approval given in principle to proceed to procurement phase by Treasury conditional on all sites having Outline Planning Consents and confirmation of affordability. Project team and governance arrangements in place. Outline Planning Consent achieved on three of four sites. Full link to corporate capital planning. Care needs linked with Commissioning Strategies. 				

	Countywide Themes	Inherent Likelihood (4 = high)	Lead Coordinating Officer on behalf of COMT	Impact (4 = High)	Sept 07 View (w)orse (s)ame (i)mproved (S) S
12.	Risks from changes within NHS including consultation on “Fit for the Future” and application of provider Trusts for Foundation status. Further risk of current overspend in local health economy resulting in cost shunting to Adult Social Care.	3	Keith Hinkley	4	(S) S
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Robust and formal partnership working including the development of joint commissioning strategies, Risk Share Agreement, Section 31 Agreements and Service Level Agreements. • Improved engagement with the local health economy, including the setting up of an Executive Group (Director of Adult Social care and Health Chief Executive) to manage the development of social care and health services in East Sussex. 				
13	Failure to put in place coherent medium term service plan consistent with commissioning strategies: whole system challenges and drivers with maximum efficiencies and resources available.	3	Keith Hinkley	4	(S) S
	<u>Mitigating Actions</u> <p>Three year plan agreed and integrated into the Council Plan and Adult Social Care Business Plan. Joint commissioning strategies for older people and learning disabled completed. Joint commissioning strategy for mental health planned for October. Implementation monitored through core performance management processes within the County Council.</p>				
14.	Failure to achieve a coherent approach to Delayed Discharges (DTC’s) and the necessary partnership working (ASC).	2	Keith Hinkley	3	(S) S
	<u>Mitigating Actions</u> <p>Action Plan implemented with numbers of DTC’s, particularly for Social Services reasons falling significantly. Action plan and related Risk Share Agreement to be further reviewed in October with further targeted improvements planned for 2007/08. Joint organisational development plan being implemented to improve partnership working.</p>				

	Countywide Themes	Inherent Likelihood (4 = high)	Lead Coordinating Officer on behalf of COMT	Impact (4 = High)	Sept 07 View (w)orse (s)ame (i)mproved
15.	Failure to deliver Business Transformation Programme.	2	Keith Hinkley	4	(S) S
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Robust project management and governance arrangements (PRINCE 2) in place. • Project Board reviews Risk Log monthly and agrees mitigating actions. • Programme Manager reviews risks with all project leads weekly. • Contingency plans in place to ensure business continuity and prevent any adverse impact on customers. 				
16.	Coherence of developing Youth Services and Connexions agenda.	2	Matt Dunkley	2	(I) I
	<u>Mitigating Actions</u> Review of information, advice and guidance to young people (Connexions) established and on track. Linked to wider development of integrated youth support services and the “Youth Offer” (activities).				
17.	Failure on major school build and design issues (e.g. Rye).	2	Matt Dunkley	3	(S) S
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Clarity of Project Director and Manager on Rye Primary Project Board. Very close monitoring of implementations of project plans and of risk elements. • Similar approach taken for Tideway. 				
18.	Waste – failure to secure the landed needed to build facilities.	2	Rupert Clubb	4	(S) S
	<u>Mitigating Actions</u>				

	Countywide Themes	Inherent Likelihood (4 = high)	Lead Coordinating Officer on behalf of COMT	Impact (4 = High)	Sept 07 View (w)orse (s)ame (i)mproved
	<ul style="list-style-type: none"> Contract has a provision for 'interim service'. During this period negotiations would take place and a solution derived based on the current information. The solution could be revised, modified or totally new facilities and sites pursued or as a direct result, termination of contract. If such a scenario appeared likely, the County Council would have to secure alternative outlets. Continual liaison with Brighton & Hove and Veolia. Major planning applications have been approved. Adoption of Waste Local Plan gives authority to waste planning decisions. Compulsory purchase order. 				
19.	Failure in Key Waste delivery plans and milestones.	4	Rupert Clubb	3	(S) S
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Both Councils have adopted the plan. Additional property expertise added to the team and land deal "secured". Successfully defended ESCC decision on Legal Court challenges. Project team leadership reviewed in the short term. Contract renegotiation underway. 				
20.	Failure to secure the Bexhill/Hastings link road scheme with proper funding.	3	Rupert Clubb	3	(I) S
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Secure funding, via RP&R, for development phase including securing some contribution from Government. Robust project plans are in place. Regular monitoring of cost profile. National consultation on funding. Planning application submitted and public consultation taken place. 				
21.	Lack of progress on Central Rail Corridor.	2	Rupert Clubb	2	(S) S

	Countywide Themes	Inherent Likelihood (4 = high)	Lead Coordinating Officer on behalf of COMT	Impact (4 = High)	Sept 07 View (w)orse (s)ame (i)mproved
	<u>Mitigating Actions</u>				
	<ul style="list-style-type: none"> Project Board committed to independent review. Active engagement with RTB to influence investment decision re rail. 				
22.	Lack of progress in delivering the aims concerning the 'Eastbourne, Hailsham – Triangle'.	3	Rupert Clubb	3	(S) S
	<u>Mitigating Actions</u>				
	<ul style="list-style-type: none"> Partner liaison meetings taking place Project PID agreed by partners SEEDA support confirmed. Participating in joint planning initiatives to promote sustainable regeneration and growth. 				
23.	Failing to secure fair share of planning gain in the relationship with Districts and Boroughs	3	Rupert Clubb	3	(S) S
	<u>Mitigating Actions</u>				
	<ul style="list-style-type: none"> ESCC decisions being defended. Continuing liaison with Districts and Boroughs to improve relationships and practice. 				
24.	Failure to ensure adequate records storage capacity when current capacity is used up within 2 years.	4	Andrew Ogden	2	(I) S
	<u>Mitigating Actions</u>				
	<ul style="list-style-type: none"> An Invest to Save project during 2006/07 resulted in a 246% increase in destruction of time expired files compared to 2005/06, but there has been an increase of 161% in bulk of files transferred from departments as the result of accommodation rationalisation. Therefore the amount of records received still exceeded destruction by 1,000 metres. An application to the Heritage Lottery Fund towards a new Historical 				

	Countywide Themes	Inherent Likelihood (4 = high)	Lead Coordinating Officer on behalf of COMT	Impact (4 = High)	Sept 07 View (w)orse (s)ame (i)mproved
	Resources Centre, with capacity for future growth, will be submitted in Spring 2008.				
25.	Failure to work effectively, internally or with partners, to manage the full range of travellers' issues.	3	Becky Shaw	2	(I) S
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Multi-agency strategy for full range of issues agreed (with Member involvement) • ESCC traveller group created and working • ESCC owned site to be in-house from 1.4.07 managed by Chief Executives. • Successful bid for resources for refurbishment of the Maresfield Site. • Multi-agency approach to (advising) SEERA Partial review of South East Plan (distribution of new pitches). 				
26.	Failure of the Hastings and Bexhill Taxforce to ensure a coherent outcome for the area objectives and remain within legal constraints.	3	Cheryl Miller	3	(S) S
	<u>Mitigating Actions</u> Members and officers influence through task group and HBRL(Seaspace).				
27	Lack of clear policy within budget for Passenger Services	2	Rupert Clubb	3	S
	<u>Mitigating Actions</u> Member involvement in form of Executive Review and determination to obtain effective outcome				
28.	Lack of agreement with waste collection authorities over level of Waste Recycling credits.	3	Rupert Clubb	4	S
	<u>Mitigating Actions</u>				

	Countywide Themes	Inherent Likelihood (4 = high)	Lead Coordinating Officer on behalf of COMT	Impact (4 = High)	Sept 07 View (w)orse (s)ame (i)mproved
	<ul style="list-style-type: none"> ESCC decision made. Open book available for DC/BC officers. 				
29.	Legal challenges to planning decisions	3	Rupert Clubb	3	S
	<u>Mitigating Action</u> <ul style="list-style-type: none"> Procedures followed and legal advice taken to enable defence at every stage of planning process. 				
30.	Failure to establish a hard federation in Hastings to improve standard at Key stages 3 and 4.	2	Matt Dunkley	4	New
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Regular meetings between Chair of Core Group, Project Manager and Penny Gaunt Preparedness to use powers of intervention if required. Project Manager representing County Council on Core group. CSD retaining control of DFSC budget for developing federation. Tendering process for lead partner school already started and contract to be let by December 2007. 				

NOTE: Position in brackets in final column shows assessment at previous Cabinet.