

**Report to:** Audit & Best Value Scrutiny Committee  
**Date:** 10 March 2008  
**By:** Deputy Chief Executive and Director of Corporate Resources  
**Title of report:** Strategic Risk Monitoring  
**Purpose of report:** To update the Audit & Best Value Scrutiny Committee on current strategic risks, their status and mitigating actions

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

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## **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 a sound risk management regime.

## **2 Introduction**

2.1 The Strategic Risk log is reported to the Cabinet and Audit and Best Value Scrutiny Committee (ABVSC) 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 ABVSC 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 October 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 Waste Management, partnership working and budgetary / funding issues and Adult Social Care.

3.2 Risk 28, 'Lack of agreement with waste collection authorities over levels of Waste Recycling credits and thresholds', is noted as worse than the previous review in October 2007, and is now considered 'High' (score = 4) in terms of both inherent likelihood and impact.

3.3 Risk 8, 'Failure to achieve expected standard in Key Service areas or deterioration in high performing areas' and Risks 18 and 19, both relating to Waste Management are considered to have deteriorated since the last review. However, none of these risks are currently considered high in terms of both Impact and likelihood.

3.4 There are no new risks added to the Strategic Risk log and no existing risks have been removed for this review.

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Contact Officer  
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Local Member: All

The Strategic Risk Management log for 2007/08 (last considered by Cabinet – January 2008 as part of RP&R Report)

	<b>Countywide Themes</b>	<b>Inherent Likelihood (4 = high)</b>	<b>Lead Coordinating Officer on behalf of COMT</b>	<b>Impact (4 = High)</b>	<b>Jan 08 View (w)orse (s)ame (i)mproved</b>
1	<b>Failure to recruit and retain key staff in particular areas.</b>	3	Andrew Ogden	3	<b>(I) S</b>
	<u><b>Mitigating Actions</b></u> <ul style="list-style-type: none"> <li>• Market Research improved</li> <li>• Development of a flexible pay and reward strategy and recruitment incentives including housing</li> <li>• Improved Employer Brand</li> <li>• Workforce Strategy produced</li> <li>• Development of career pathways, e.g. trainee social worker programmes, CIPFA training programme</li> <li>• Use of specialist headhunters.</li> <li>• E-recruitment project now underway.</li> <li>• New advertising style.</li> <li>• Flexible retirement policy.</li> </ul>				
2	<b>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.</b>	3	Andrew Ogden	3	<b>(S) I</b>
	<u><b>Mitigating Actions</b></u> <ul style="list-style-type: none"> <li>• Increasing the take up of the Leadership and Management Development Programmes in place</li> <li>• Workforce Strategy produced</li> <li>• Flexible rewards for excellent performance put in place</li> <li>• Use of Management Capacity Reserve and agreed second year of provision.</li> <li>• More on-line training available.</li> <li>• CPA “staff capacity to deliver the priorities is good”</li> <li>• Sickness absence continues to reduce.</li> </ul>				
3	<b>Failure to maintain both the morale and improving motivation, of all staff, but also addressing key cultural barriers to Council-wide improvement.</b>	2	Cheryl Miller	3	<b>(S) I</b>

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	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Follow-up on new staff survey and Corporate Assessment.</li> <li>• Implement action of Internal Communications Strategy.</li> <li>• Local and national recognition of outstanding performance.</li> <li>• Increasing understanding and delivery of RP&amp;R and ESCC Promise.</li> <li>• CPA “officers are clear about what is expected of them” and “there is a strong performance driven culture”.</li> </ul>				
4	<p><b>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.</b></p>	4	Sean Nolan	4	<b>(S) S</b>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Reconciling Policy and Resources Framework</li> <li>• Related performance management framework</li> <li>• Communication/consultation plan</li> <li>• Lobbying plan, work of scrutiny</li> <li>• Establishment of forward cash limits and allocations, 3 year service planning.</li> <li>• Work of Productivity Board (inc. Invest to Save and cultural change programme).</li> <li>• Income Board established</li> <li>• Shared services work as part of commitment to improve three tier working.</li> </ul>				
5.	<p><b>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</b></p>	4	Sean Nolan	4	<b>(S) S</b>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Normal departmental and county-wide budget and performance monitoring.</li> <li>• Enhanced budget monitoring processes.</li> </ul>				

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	<ul style="list-style-type: none"> <li>• Specific tracking of NHS debt.</li> <li>• Specific focus on capital monitoring.</li> </ul>				
6.	<p><b>Reputational damage to the Council's sense of confidence and motivation from:</b></p> <ul style="list-style-type: none"> <li>• <b>Failure to manage, effectively, communication of controversial areas.</b></li> <li>• <b>Single major avoidable incident/failure</b></li> <li>• <b>External assessments.</b></li> <li>• <b>Residents not recognising improvements</b></li> <li>• <b>Avoidable service mistakes</b></li> </ul>	<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><b>(S) S</b></p> <p><b>(S) S</b></p> <p><b>(I) S</b></p> <p><b>(W) S</b></p> <p><b>(S) S</b></p>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Medium Term communication strategy in place in including agreed processes to ensure planning of key messages for controversial issues.</li> <li>• Departmental communications structure (including department officers) and forward plan implemented.</li> <li>• 'Your County' and media plans in place. Corporate and service issues consultation in place/developing</li> <li>• Robust performance management (inc risk management) in place.</li> <li>• Planned strengthening of Customer Focus.</li> <li>• Corporate Assessment Action Plan implemented and integrated into future business plan where appropriate.</li> </ul>				
7.	<p><b>Failure to handle, successfully, the increasingly complex partnership agenda (e.g. LAA, NIS, CAA.)</b></p>	4	Becky Shaw	3	<b>(S) S</b>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• LAA process transparent and integrated with Reconciling Policy and Resources.</li> </ul>				

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	<ul style="list-style-type: none"> <li>• Integrated sustainable Community Strategy to articulate jointly agreed priorities</li> <li>• Ongoing and robust responses to proposed Government arrangements.</li> <li>• 'East Sussex in Figures' (Data observatory) in place.</li> <li>• Sussex Improvement Partnership (shared services ? delivering original programme with Councils across Sussex.</li> </ul>				
8.	<b>Failure to achieve expected standards in key service areas or deterioration in high performing areas</b>	2	Becky Shaw	3	<b>(S) W</b>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Close involvement in performance monitoring by COMT, Cabinet and Scrutiny Members</li> <li>• Reconciling Policy and Resources and Strategic Risk Management to highlight potential areas of weakness</li> <li>• Sustained focus on performance/ improvement achievement</li> <li>• Quarterly monitoring reports to full Council require detailed comments to support amended actions if performance is not on track</li> <li>• East Sussex in Figures assistst monitoring of customer impacts.</li> <li>• Consultation processes strengthened (toolkit and co-ordination).</li> </ul>				
9.	<b>Failure to be truly customer focussed (including access and local presence)</b>	3	Sean Nolan/Becky Shaw	3	<b>(S) S</b>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Links to Productivity agenda and Reconciling Policy and Resources</li> <li>• Work on defining excellence in customer focus and associated action plan</li> </ul>				

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	developing. <ul style="list-style-type: none"> <li>Local and national surveys analysed and used to inform service planning.</li> <li>Successful E-Government access strand (i.e. web, hubs, kiosks etc)</li> <li>Variety of service initiatives.</li> </ul>				
10.	<b>Work at locality level not recognised</b>	3	Becky Shaw	2	<b>(S) S</b>
	<b><u>Mitigating Actions</u></b> <ul style="list-style-type: none"> <li>Robust Partnership structures in place</li> <li>Strong and developing service based structures for delivery and planning.</li> <li>Proactive monitoring of national changes and local expectations.</li> <li>Training in place for officers to provide improved focus on role of local Members.</li> <li>ESIF and Map viewer provided readily accessible local data.</li> <li>Review to be undertaken late 2007/08.</li> <li>Careful monitoring of new legal obligations under Local Govt Act to ensure compliance</li> <li>Development of strengthened three tier working including approach to shared services</li> <li>Intranet (Spring 2008) key vehicle for improving communication with Local Members.</li> <li>Joint work by 6 X LSP's to engage with elected Members – (event planned Spring 2008).</li> </ul>				
11.	<b>Failure to secure coherent “Age Well” PFI or PPP Scheme (ASC)</b>	3	Keith Hinkley	3	<b>(S) S</b>
	<b><u>Mitigating Actions</u></b> <ul style="list-style-type: none"> <li>Age Well funding approval (PFI) and affordability confirmed at Expression of Interest stage and Outline Business Case, submitted.</li> <li>Approval given in principle to proceed to procurement phase by Treasury conditional on all sites having Outline Planning Consents and confirmation of affordability.</li> </ul>				

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	<ul style="list-style-type: none"> <li>• Project team and governance arrangements in place.</li> <li>• Outline Planning Consent achieved on three of four sites.</li> <li>• Full link to corporate capital planning.</li> <li>• Care needs linked with Commissioning Strategies.</li> </ul>				
12.	<b>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.</b>	3	Keith Hinkley	4	<b>(S) S</b>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Robust and formal partnership working including the development of joint commissioning strategies, Risk Share Agreement, Section 31 Agreements and Service Level Agreements.</li> <li>• 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.</li> </ul>				
13	<b>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.</b>	3	Keith Hinkley	4	<b>(S) S</b>
	<p><b><u>Mitigating Actions</u></b></p> <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.	<b>Failure to achieve a coherent approach to Delayed Discharges (DTC’s) and the necessary partnership working (ASC).</b>	2	Keith Hinkley	3	<b>(S) S</b>
	<b><u>Mitigating Actions</u></b>				

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	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.				
15.	<b>Failure to deliver Business Transformation Programme.</b>	2	Keith Hinkley	4	<b>( S ) S</b>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Robust project management and governance arrangements (PRINCE 2) in place.</li> <li>• Project Board reviews Risk Log monthly and agrees mitigating actions.</li> <li>• Programme Manager reviews risks with all project leads weekly.</li> <li>• Contingency plans in place to ensure business continuity and prevent any adverse impact on customers.</li> </ul>				
16.	<b>Coherence of developing Youth Services and Connexions agenda. Good Field for Connexions contract: review of Youth Development Service underway' good VCS engagement in IYSS agenda.</b>	1	Matt Dunkley	2	<b>( I ) I</b>
	<p><b><u>Mitigating Actions</u></b></p> <p>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).</p>				
17.	<b>Failure on major school build and design issues (e.g. Rye).</b>	2	Matt Dunkley	3	<b>( S ) S</b>



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	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Clarity of Project Director and Manager on Rye Primary Project Board. Very close monitoring of implementations of project plans and of risk elements.</li> <li>• Similar approach taken for Tideway.</li> <li>• Focused review of projects to identify any practice which needs adjustment.</li> </ul>				
18.	<b>Waste – failure to secure the landed needed to build facilities.</b>	3	Rupert Clubb	4	<b>(S) W</b>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Strong project management of land negotiations led by senior officers.</li> <li>• Direct contact with tenants and sub-tenants.</li> <li>• Continual liaison with Brighton &amp; Hove and Veolia.</li> <li>• Major planning applications have been approved.</li> <li>• Adoption of Waste Local Plan gives authority to waste planning decisions.</li> <li>• Compulsory purchase order.</li> <li>• Interim management (long term sickness cover being put in place)</li> </ul>				
19.	<b>Failure in Key Waste delivery plans and milestones.</b>	4	Rupert Clubb	3	<b>(S) W</b>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Contract re-negotiation complete</li> <li>• Robust project boards in place</li> <li>• Joint authority Board ownership</li> <li>Interim Management.</li> </ul>				
20.	<b>Failure to secure the Bexhill/Hastings link road scheme with proper funding.</b>	2	Rupert Clubb	3	<b>(S)I</b>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Maintain lobbying at regional level following successful RTB outcome</li> <li>• Work closely with districts in relation to LDF's to secure appropriate developer contributions.</li> <li>• Regular monitoring of cost profile</li> <li>• Planning application submitted and public consultation taken place.</li> </ul>				

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21.	<b>Lack of progress on Central Rail Corridor.</b>	2	Rupert Clubb	2	<b>(S)S</b>
	<u><b>Mitigating Actions</b></u> <ul style="list-style-type: none"> <li>National Rail contract</li> <li>Project Board committed to independent review.</li> <li>Active engagement with RTB to influence investment decision re rail.</li> </ul>				
22.	<b>Lack of progress in delivering the aims concerning the 'Eastbourne, Hailsham – Triangle'.</b>	3	Rupert Clubb	3	<b>(S)S</b>
	<u><b>Mitigating Actions</b></u> <ul style="list-style-type: none"> <li>Project Board established and consultants to be shortly commissioned.</li> <li>Project PID agreed by partners</li> <li>SEEDA support confirmed.</li> <li>Participating in joint planning initiatives to promote sustainable regeneration and growth.</li> </ul>				
23.	<b>Failing to secure fair share of planning gain in the relationship with Districts and Boroughs</b>	3	Rupert Clubb	3	<b>(S) S</b>
	<u><b>Mitigating Actions</b></u> <ul style="list-style-type: none"> <li>ESCC decisions being defended.</li> <li>Continuing liaison with Districts and Boroughs to improve relationships and practice.</li> </ul>				
24.	<b>Failure to ensure adequate records storage capacity when current capacity is used up within 2 years.</b>	3	Andrew Ogden	2	<b>(S) I</b>
	<u><b>Mitigating Actions</b></u> <ul style="list-style-type: none"> <li>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</li> </ul>				

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	<p>result of accommodation rationalisation. Therefore the amount of records received still exceeded destruction by 1,000 metres.</p> <ul style="list-style-type: none"> <li>• An application to the Heritage Lottery Fund towards a new Historical Resources Centre, with capacity for future growth, will be submitted in Spring 2008.</li> <li>• More space in unit Y, Newhaven has relieved accommodation pressures.</li> </ul>				
25.	<b>Failure to work effectively, internally or with partners, to manage the full range of travellers' issues.</b>	3	Becky Shaw	2	<b>(I) S</b>
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Multi-agency strategy for full range of issues agreed (with Member involvement)</li> <li>• ESCC traveller group created and working</li> <li>• ESCC owned sites in-house since 1.4.07 managed by Chief Executives.</li> <li>• Successful bid for resources for refurbishment of the Maresfield Site.</li> <li>• Accommodation need identified and agreed joint advice given to SEERA Partial review of South East Plan (distribution of new pitches in LDF's).</li> </ul>				
26.	<b>Failure of the Hastings and Bexhill Taxforce to ensure a coherent outcome for the area objectives and remain within legal constraints.</b>	3	Cheryl Miller	3	<b>(S) S</b>
	<p><b><u>Mitigating Actions</u></b></p> <p>Members and officers influence through task group and HBRL(Seaspace).</p>				
27	<b>Lack of clear policy within budget for Passenger Services</b>	2	Rupert Clubb	3	<b>(S)S</b>
	<p><b><u>Mitigating Actions</u></b></p> <p>Member involvement in form of Executive Review and determination to obtain effective outcome</p>				

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28.	<b>Lack of agreement with waste collection authorities over level of Waste Recycling credits and thresholds.</b>	<b>4</b>	Rupert Clubb	<b>4</b>	(S) W
	<u><b>Mitigating Actions</b></u> <ul style="list-style-type: none"> <li>• ESCC decision made. Open book available for DC/BC officers.</li> <li>• Further legal advice being sought.</li> <li>• Awayday planned with collection authorities</li> <li>• Exploring options for win – win solutions.</li> </ul>				
29.	<b>Legal challenges to planning decisions</b>	<b>3</b>	Rupert Clubb	<b>3</b>	S
	<u><b>Mitigating Action</b></u> <ul style="list-style-type: none"> <li>• Procedures followed and legal advice taken to enable defence at every stage of planning process.</li> </ul>				
30.	<b>Failure to establish a hard federation in Hastings to improve standard at Key Stages 3 and 4.</b>	<b>2</b>	Matt Dunkley	<b>4</b>	<b>(New)S</b>
	<u><b>Mitigating Actions</b></u> <ul style="list-style-type: none"> <li>• Regular meetings between Chair of Core Group, Project Manager and Penny Gaunt</li> <li>• Preparedness to use powers of intervention if required.</li> <li>• Project Manager representing County Council on Core group.</li> <li>• CSD retaining control of DFSC budget for developing federation.</li> <li>• Tendering process for lead partner school already started and contract to be let by December 2007.</li> </ul>				

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