

Report to: Audit and Best Value Scrutiny Committee
Date: 18 November 2009
By: Deputy Chief Executive and Director of Corporate Resources
Title of report: Strategic Risk Monitoring
Purpose of report: To update the Committee on current Strategic Risks faced by the council, their status and mitigating actions.

RECOMMENDATION: The Committee is recommended to note the current strategic risks, the update of their status, and the mitigation 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 a sound risk management regime.

2 Introduction

2.1 The Strategic Risk log is reported to Cabinet and the Audit & Best Value Scrutiny 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 & Best Value Scrutiny 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.

3 Overview of the Strategic Risk Log

3.1 For all existing risks detailed in the Strategic Risk Log, the perceived level of risk is considered to be unaltered from the review carried out in July 2009. The main areas where the level of risk is perceived to be 'high', in terms of likelihood and impact, remain the risks associated Adult Social care, where several risks are perceived as high in terms of both likelihood (inherent risk) and impact, Waste Management, partnership working and budgetary / funding issues.

3.2 Risk 21 has been slightly reworded to take into account the refusal of Filsham Valley school to agree to a 'hard federation'. However, the risk scores associated with this risk remain unaltered.

3.3 Mitigation Actions relating to several risks have also been slightly amended for this review. These are denoted by a star (*) on the Strategic Risk Log.

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

4. Progress on risk issues raised in the Risk Management Annual Report 2009

The Corporate Risk Database

4.1 The Corporate Risk database is currently under review. A meeting was held on 6th October 2009, attended by Assistant Directors (Resources) and Departmental Risk Coordinators. A majority of Departments reported that they do not utilise the Corporate Database since they consider it unable to meet their risk recording and risk monitoring requirements.

4.2 The existing Corporate Risk database is also considered inadequate to facilitate the necessary link between risk monitoring and performance monitoring, required to embed the risk management process.

4.3 The perceived inadequacies of the Corporate Risk database have caused several Departments to construct their own risk recording and monitoring systems.

4.4 The Corporate Resources Department have developed their existing performance management system to facilitate risk recording and monitoring. This was demonstrated to the meeting and will be trialled in CRD during Quarters 2 and 3. This will also be made available to other Departments, should they wish to adopt it.

4.5 The Risk Manager also held meetings with each Departmental Risk Coordinator to ensure consistency of risk recording across Departments.

Schools Risk Ranking surveys

4.6 The Council's property insurer have now commenced the risk ranking surveys of schools. A majority of secondary schools are scheduled to be surveyed in the Autumn term. Individual survey reports will also be provided to schools.

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BACKGROUND DOCUMENTS

None

New and Revised Strategic Risk Log for 2009/10

	KEY THEME AREAS	INHERENT RISK 1 = Low 4 = High	IMPACT 1 = Low 4 = High	LEAD COORDINATING OFFICER ON BEHALF OF COMT	NEW or Revised '*'
1.	Failure to recruit and retain key staff, and manage capacity pressures and staff moral and motivation effectively	2	4	Andrew Ogden	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Implementation of agreed actions from Staff Survey 2007/08 and planning for new survey Oct 2009 • Improved corporate identity/branding • Implement e-Recruitment to improve our appointment procedures • Workforce planning • Increased use of flexible approaches to contract terms and conditions to encourage retention of key employees • Use of Management Capacity Reserve • Reconciling Policy and Resources • Robust internal Communications Strategy 				
2.	Failure to implement effectively key departmental restructuring exercises (as well as ensuring a sound response to 'single status', and equal pay issues).	2	3	Andrew Ogden(relevant department lead)	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Develop options to achieve completion of Single Status • Provide appropriate training for personnel case workers on current legal requirements 				

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	<ul style="list-style-type: none"> • Provide briefing sessions and training programmes for managers, headteachers and governors • Implement mediation as a first step to resolve workplace disputes 				
3.	Failure to meet the ongoing challenge of improving performance whilst Reconciling Policy and Resources in the context of rising expectations, limited resources, efficiency expectations and the tension between vulnerable and universal services.	3	4	Sean Nolan(Becky Shaw)	*
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Continued operation of Reconciling Policy and Resources • Active involvement of Scrutiny • Continued focus on robust data quality and performance management (especially on low performing indicators) • Establishment of forward cash limits and 4 year service planning • Communications and lobbying strategy • Focus on benchmarking efficiency and comparative value for money • Strong partnership arrangements (inc the voluntary and community sector) • Consultation and strong evidence base of residents' views and needs used to influence policy decisions 				

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4.	Failure to manage adequately volatile budget areas (e.g. social care, special needs, home to school transport etc) to the extent they impact sufficiently on other priorities.	3	4	Sean Nolan	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Formal monthly monitoring and reporting • Enhanced budget monitoring processes • Risk management arrangements • Medium Term planning 				
5.	Reputational damage and lack of confidence from failure to maintain or deliver increased service standards (including inspection or assessment scores in Comprehensive Area Assessment).	2	3	Becky Shaw	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Robust performance management and risk regimes in place • Continued strengthening of customer focus and equalities work • Strong partnership arrangements • Clear communications and consultation strategy and infrastructure • Post inspection action plans incorporated in business plans • Delivering effective partnership responses to CAA regime. 				

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6.	Negative impact of the Recession on the County Council and on East Sussex residents, businesses and communities (including collapse of key supply chains due to the economic downturn).	3	4	Cheryl Miller (All Chief Officers)	
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Implementation of agreed evidence and partnership based action plan supporting: <ul style="list-style-type: none"> ○ Businesses; ○ Residents ○ Voluntary and Community Sector and local communities. • Through RP&R monitoring and the impact of the Recession on County Council finances, services, performance and suppliers and amending plans and strategies accordingly. 				
7.	Failure to manage successfully the quality, relationships and outcomes from the increasingly complex partnership agenda including the various aspects of locality working.	3	3	Becky Shaw	*
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Clear partnership governance arrangements • Successful delivery of LAA2 linked to Reconciling Policy and Resources • Robust LAA / NIS monitoring arrangements in place and integrated into Reconciling Policy and Resources • Strong relationships with local partners • Integrated sustainable community strategy showing joint priorities • East Sussex in Figures providing robust evidence base. • Planned strengthening of communication with local Members. 				

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8.	Failure to manage effectively the key strategic relationships with, and performance of, key commercial partners (e.g. BT, Serco, Veolia, key care providers etc).	2	4	Cheryl Miller (all Chief Officers)	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Relationship strategies in place Review of contract management arrangements 				
9.	Failure to secure an effective 'Agewell' Scheme in line with business objectives.	2	4	Keith Hinkley	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> All Outline Planning Consents achieved on the four acquired sites. Full link to corporate capital planning. Care needs linked with Commissioning Strategies. Preparation of contingency plans. 				
10.	Failure to put in place an effective medium term service plan consistent with commissioning strategies, "Putting People First", whole system challenges, and drivers with maximum efficiencies and resources available.	2	4	Keith Hinkley	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Three year plan, including objectives for Putting People First agreed and integrated into the Council Plan and Adult Social Care Business Plan. Joint commissioning strategies for older people, mental health and learning disabled completed. Implementation monitored through core performance management processes within the County Council. 				

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	<ul style="list-style-type: none"> Implementing the change agenda through robust programme and project management arrangements. 				
11.	Risks from changes within the NHS including delivery of World Class Commissioning application of provider Trusts for Foundation status and impact of PCT achieving efficiency savings.	3	4	Keith Hinkley	
	<p><u>Mitigating Actions</u></p> <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 Agreement. 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. 				
12.	Failure to sustain current improved performance on our priority performance indicators within Adult Social Care	2	4	Keith Hinkley	
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> Continue with the DMT led Performance Board. Develop our benchmarking for the National Indicator Set. Enhance performance through programme arrangements for Putting People First. 				

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13.	Failure to deliver ASC Transformation Agenda.	3	4	Keith Hinkley	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Review of current commissioning strategies in a structured programme of work to ensure compliance with Putting People First. 				
14.	Transfer from NHS to ESCC of responsibility and fund for commissioning Learning Disability Services for adults.	4	4	Keith Hinkley	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Joint project group with PCT's including Legal Services and Audit. Governance arrangements requiring Cabinet agreement, including risk management arrangements. Joint work with other local authorities to ensure consistent approach to management of risk. 				
15.	Implementation by PCT of Continuing Health Care (CHC) criteria.	4	4	Keith Hinkley	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Management oversight through Joint CHC Leadership Group. Processes to be agreed for disputes resolution, including referral to Secretary of State. Use of debt recovery process. 	4	4	Keith Hinkley	

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16.	Failure to secure appropriate approval for the Link Road and expected external funding support and to ensure that the same remains affordable and deliverable.	3	4	Rupert Clubb	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Continue governance through project board • Continue to influence Regional Transport Board and local development frameworks. • Resolve any queries arising from submission of MSBC • Maintain closer links with DfT re major scheme funding. • Preparation for public inquiry including key legal support • Consider and implement recommendations from 4Ps peer review • Work closely with newly appointed contractor – co-locate teams • Ensure robust ‘statements’ of evidence for CPO public inquiry and witnesses properly briefed/trained. • Continue to use expert legal advice and lobby for ministerial decision as quickly as possible. 				
17.	Failure in key waste delivery plan and milestones (including recycling with Districts).	3	4	Rupert Clubb	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Contract governance through Joint Project Board • Work with OGC to minimise risk of infraction proceedings over extension of contract • Affordable interim arrangements secured through contract re-negotiation 				

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	<ul style="list-style-type: none"> Waste reserve based on modeled prudential scenarios Continuous development and scrutiny of modeling Continue to develop closer working relationships with Districts Bring together operational and financial colleagues to finalise recycling solutions. Develop partnership approach with BHCC and Veolia 				
18.	Failure to deliver benefits of a joint waste authority with Districts.	3	3	Rupert Clubb	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Continue to develop business case for joint working Continue officer, Chief Officer and mentor level meetings. Develop Waste Resources Strategy Group as key forum for exploring new opportunities. Align collection contracts Resolve recycling credit issues 				
19.	Failure to deliver major property projects – on cost, to specification and to time – but including failure to deliver effective client or sponsor role.	3	4	Sean Nolan	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Review of future model underway (interim model in place since September 07) Involvement of Scrutiny Implementation of PID approach Challenge / training for project sponsors Partnering arrangements with specialist project management 				

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	<ul style="list-style-type: none"> • More structured work on key client roles • Review of forward planning skills and capabilities with key departments (eg Children's) 				
20.	Failure to deliver economic regeneration aspirational progress in key areas, (including Hastings, Bexhill, Newhaven and Eastbourne Hailsham Triangle) and to fail to maximize benefit of any new Sub-Regional economic governance structures.	3	4	Cheryl Miller	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Analysis of indices of multiple deprivation commissioned. • Robust planning processes and partnerships in place • East Sussex Economic Strategy • Annual economic study and business survey 				
21.	Failure to deliver improved standards at Key Stage 3 and 4 in Hastings as Filsham valley refused to agree to a 'hard federation'.	2	4	Matt Dunkley	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Quarterly monitoring of the implementations of Ninestiles Plus contract by the Deputy Director, L&SE. • Regular contact between the Executive Headteacher and the Joint Committee. • Significant investment of resources from the County Council and the Standards Fund grant to facilitate a range of strategies to improve 				

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	<p>core subjects.</p> <ul style="list-style-type: none"> Joint Committee established following Filsham Valley against Hard Federation. 				
22.	Failure to respond effectively to the growing number of young people being classed as vulnerable and potentially requiring support and services.	3	4	Matt Dunkley	
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> Recruiting more staff for youth support teams and redefining their role and function. 				
23.	Failure to articulate effectively and commission major school re configurations requirement over the short and long term – including Academy Programme in Hastings, BSF in Bexhill, further BSF rounds and primary capital programme.	3	4	Matt Dunkley	*
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> Children's Services Capital Strategy Team restructured. Additional investment in feasibility studies. Readiness to Deliver for BSF submitted to DCSF. PCP Board established. Consultation on primary reorganisation in Bexhill and Eastbourne Academies Board Established 				
24.	Failure to influence effectively school performance to avoid significant intervention measure from Government (inc Ofsted).	2	4	Matt Dunkley	*
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> Additional resource invested in areas of the county, and schools, with the poorest performance. 				

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	<ul style="list-style-type: none"> • External monitoring and support commissioned to accelerate the progress of any schools proving to be “hard to shift”. • School Improvement Service being brought back into County Council with effect from 1st September 2009. • Resources invested in the weakest areas of performance e.g. Maths at KS2. 				