

Report to: Audit and Best Value Scrutiny Committee
Date: 10 November 2010
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.

The Committee are 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 and 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 Four risks have been removed from the Strategic Risk Log since it was last presented as an appendix to the 'State of the County' Report. These risks related to the transition to a new Chief Executive, Chief Officer and Senior Management posts having a negative impact on the effectiveness of the council; the negative impact of the recession on East Sussex residents, businesses and communities; Failure to deliver ASC transformation agenda; and the implementation by PCT of Continuing Health Care (CHC) criteria.

3.2 No new risks have been added to the Strategic Risk Log for this review, although several have been the subject of alteration, either to the risk wording, or to their associated mitigation actions. Where alterations have been made, the risks are marked with a star (*) in the 'New or Revised' column.

3.3 Risk No. 11 has been reworded to reflect the 'Risks from implementing the NHS White Paper including effective engagement with GP's, delivery of savings targets across health and social care and assumption of public health duties. Previous reference to the PCT has been removed.

3.4 Risk No. 6, relating to 'Reputational damage and lack of confidence from failure to maintain or deliver increased service standard' has been reworded and several mitigations, with reference to the Comprehensive Area Assessment, have been removed.

3.5 Risk No's 7, 9, 13, 21, 23, and 26 have all had alterations to their mitigation actions. These involve the removal of mitigation actions that are no longer considered appropriate or the minor rewording of existing mitigation actions.

3.6 Only one risk, No 13, has been revalued in relation to the 'Inherent Risk' and 'Impact' scores. For the previous review, these were both rated at 3. However, for this review, both scores have been reduced to 2.

3.7 Of the 26 risks that appear on the Strategic Risk Log, which is considered to be the Council's 'Corporate level' risk register, three are scored at the highest level (4) for both 'Inherent risk' and 'Impact'. These risks are as follows;

- Risk 11 : 'Risks from implementing the NHS White Paper including effective engagement with GP's, delivery of savings targets across health and social care and assumption of public health duties'.
- Risk 14 : 'Failure to secure appropriate approval for the Link Road and expected external funding support and to ensure that the same remains affordable and deliverable'.
- Risk 26 : 'Failure to respond appropriately to the increasing number of referrals to children's social services and to the increasing number of children with Child Protection Plans and Looked After Children'.

SEAN NOLAN

Deputy Chief Executive and Director of Corporate Resources

Contact Officer : Rawdon Phillips, Insurance & Risk Manager 01273 481593

Local Member: All

Background Documents

None

New and Revised Strategic Risk Log for 2010/11

	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	Bill Murphy	
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Consider findings of 2009/10 Staff Survey and develop action plan. • Improved corporate identity/branding • E-Recruitment underway 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	Bill Murphy (relevant department lead)	
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Implement options to achieve completion of Single Status. Negotiations with Unions now underway. • Provide appropriate training for personnel case workers on current legal requirements • Provide briefing sessions and training programmes for managers, headteachers and governors • Mediation now successfully implemented as a first step to resolve workplace disputes 				

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3.	Failure to meet the ongoing challenge of improving performance in the context of rising expectations, uncertain resources, efficiency expectations and the tension between vulnerable and universal services.	3	4	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 future 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 				
4.	Failure to put in place effective Medium Term financial planning linked to service priorities to deliver sustainable outcomes and deliverable savings plans – in the context of the severe funding constraints now expected allied to existing spending pressures and other risks.	3	4	Sean Nolan	
	<p><u>Mitigating Actions</u></p> <ul style="list-style-type: none"> • Operation of Reconciling Policy and Resources • Realistic Medium Term Resource assumptions • Links to Risk Management Protocols • Operation of capital planning methodologies 				

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5.	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 				
6.	Reputational damage and lack of confidence from failure to maintain or deliver increased service standards.	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 				

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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	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Strong relationships with local partners • Integrated sustainable community strategy showing joint priorities • East Sussex in Figures providing robust evidence base. 				
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	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 revised ‘Agewell’ Scheme in line with business objectives.	3	3	Keith Hinkley	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Full link to corporate capital planning. • Care needs linked with Commissioning Strategies. • Business cases to be considered by Cabinet before decisions are made on whether to proceed. 				

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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. • Implementing the change agenda through robust programme and project management arrangements. 				
11.	Risks from implementing the NHS White Paper including effective engagement with GP’s, delivery of savings targets across health and social care and assumption of public health duties.	4	4	Becky Shaw	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Robust partnership working with PCT and development of joint approach with GP consortia. • Development of proposals for consideration by Cabinet for early adoption of a fully integrated approach to strategic commissioning health and social care, including shared organisational arrangements. • Delivery through robust programme management arrangements of the agreed plan. 				

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12.	Failure to sustain current improved performance on our priority performance indicators within Adult Social Care	2	4	Keith Hinkley	
	<u>Mitigating Actions</u> <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. 				
13.	Transfer from NHS to ESCC of responsibility and fund for commissioning Learning Disability Services for adults.	2	2	Keith Hinkley	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Referral to arbitration for outstanding pensions issue. 				
14.	Failure to secure appropriate approval for the Link Road and expected external funding support and to ensure that the same remains affordable and deliverable.	4	4	Rupert Clubb	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Continue governance through project board • Continue to influence local development frameworks, and through the A21 Reference Group • Prepare scheme ready for decision • Continue to use expert legal advice and lobby for ministerial decision as quickly as possible. 				

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15.	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 • Waste reserve based on modeled prudential scenarios • Continuous development and scrutiny of modeling • Maintain partnership approach with BHCC and Veolia 				
16.	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"> • Identify benefits of and options for joint working and continue to develop business case(s) • Continue officer, Chief Officer and Member level meetings. • Align collection contracts • Operate legal agreement with districts through the Waste Resources Strategy Group • Develop the role of the East Sussex Waste Resources Strategy Group and Member boards 				

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17	Failure to reduce numbers of Killed and Seriously Injured on East Sussex roads.	3	3	Rupert Clubb	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Appoint dedicated Road Casualty Reduction Specialist • Work closely with partners through East Sussex Casualty Reduction Steering Group (ESCRSG) • Work up strategy and action plan through ESCRSG • Identify measures where there is evidence of success • Pilot these measures in East Sussex • Roll out successful pilots more widely 				
18.	Failure to achieve the required improvement in highway condition after the additional investment of £8.5m	3	3	Rupert Clubb	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Detailed risk log managed by AD operations in T&E • Two-year road improvement programme drawn up and currently being undertaken • Reporting & Governance Regime Established • Laser Surveys arranged for October 2010 to check progress • Consultation with Utility Companies to Co-ordinate Works 				
19	Failure to plan effectively for the disposal of the county's waste	3	3	Rupert Clubb	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Agree revised timetable for completion of Minerals and Waste LDF • Develop and implement communications plan, tying in with waste disposal activity • Community engagement work • Review options in light of responses to consultation 				

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	<ul style="list-style-type: none"> Review alternatives to land disposal Agree revised Core Strategy 				
20	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"> New model in place Involvement of Scrutiny Implementation of PID approach Challenge / training for project sponsors Partnering arrangements with specialist project management More structured work on key client roles Review of forward planning skills and capabilities with key departments (eg Children's) 				
21	Failure to deliver economic regeneration aspirational progress in key areas, (including Hastings, Bexhill, Newhaven and Eastbourne / South Wealden area) and to fail to maximize benefit of any new Sub-Regional economic governance structures.	3	4	Becky Shaw	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> Robust planning processes and partnerships in place New East Sussex Economic Strategy Annual economic study and business survey Development of a LEP & responding to the Sub-National Growth White Paper Development of a robust Regional Growth Fund bid 				

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22	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 core subjects. • Joint Committee established following Filsham Valley against Hard Federation. 				
23	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	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Ensure that services for young people are targeted, integrated and aligned effectively within available budget to minimise duplication and promote effective planning and early intervention for individual young people who are most at risk of offending, becoming NEET, homeless etc. 				

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24	Failure to secure new capital investment for Academies and PCP phases 3 & 4 following Coalition Governments Emergency budget and subsequent announcements.	3	4	Matt Dunkley	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Ensure all stakeholders are briefed on emerging issues and risks • Ensure continued communications with DfE in order to clarify our strategy and requirements (maintain priority in national picture) • Minimise/stop any expenditure commitments until funding is secured (any expenditure to be approved either by SMT or the respective board) 				
25	Failure to articulate effectively and commission major school re configurations requirement over the short and long term – including primary capital programme 1 and 2.	3	4	Matt Dunkley	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> • Children’s Services Capital Strategy Team restructured. • Additional investment in feasibility studies. • Capital Strategy Board and PCP Board established. • Consultation on primary reorganisation in Bexhill and Eastbourne. • Academies Board Established 				
26	Failure to respond appropriately to the increasing number of referrals to children’s social services and to the increasing number of children with Child Protection Plans and Looked After Children.	4	4	Matt Dunkley	*
	<u>Mitigating actions</u> <ul style="list-style-type: none"> • Refreshed social worker recruitment and retention strategy • Revision of case recording system to promote effective use within children’s social care. • Additional funding made available for children’s social care 				

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	<p>services.</p> <ul style="list-style-type: none"> • Management capacity within the Safeguarding Unit strengthened. • Proactive recruitment of new foster carers and support lodgings providers. 				