

**Report to:** Audit, Best Value and Community Services Scrutiny Committee  
**Date:** 28 February 2012  
**By:** 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

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**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.**

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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 Cabinet and the Audit, Best Value and Community Services 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 and Community Services 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 Many of the risks noted on the Strategic Risk Log (appendix 1) have been updated or amended and these are noted by a star (\*) in the 'New or Revised' column.

3.2 Four new risks have been added to the Strategic Risk Log for this review. These are risks 23, 25, 26, and 27. These risks relate to the Children's Services and Economy, Transport and Environment Departments.

3.3 For risks 22 and 24 both the risk description and mitigations have been updated. For risks 11, 13, 15 and 16 only the mitigation actions have been updated. Also note that references to medium term capital RPPR challenges are assumed to include responding to the resource review and possible CSR changes amongst other funding issues in 2013/14.

3.4 Four risks have also been removed from the Strategic Risk Log for this review. These risks are;

- Failure to deliver ERF as final element of network of waste disposal facilities.
- Failure to deliver benefits of joint working on waste with Districts.

- Failure to deliver improved standard at key Stage 3 and 4 in Hastings as Filsham Valley refused to agree to a 'hard federation'.
- Failure to secure new capital investment for Academies and School Organisations Strategies either from internal funding resources or through Government grants.

3.5 All other risks on the Strategic Risk Log remain unaltered for this review.

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Contact Officer : Rawdon Phillips Insurance & Risk Manager 01273 481593

Local Member: All

Background Documents  
None

## New and Revised Strategic Risk Log for 2011/12

## Appendix 1

	KEY THEME AREAS	LIKELIHOOD  1 = Low 4 = High	IMPACT  1 = Low 4 = High	LEAD COORDINATING OFFICER ON BEHALF OF COMT	NEW or Revised '*'
1.	Failure to effectively manage staffing implications of budget reductions.	3	3	Simon Hughes	
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Use of HRMB to provide overview of HR aspects of the implementation process</li> <li>• Regular reporting to COMT on progress and issues arising</li> <li>• Introduction of new techniques to ensure there is a good understanding of the current state of staff morale and motivation</li> </ul>				
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	Simon Hughes (relevant department lead)	
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Implement options to achieve completion of Single Status. Negotiations with Unions now underway.</li> <li>• Provide appropriate training and implementation of quality assurance mechanisms for personnel case workers on current legal requirements</li> <li>• Provide briefing sessions and training programmes for managers, headteachers and governors</li> <li>• Mediation now successfully implemented as a first step to resolve workplace disputes</li> </ul>				
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	

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	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Continued operation of Reconciling Policy and Resources</li> <li>• Active involvement of Scrutiny</li> <li>• Continued focus on robust data quality and performance management (especially on low performing indicators)</li> <li>• Establishment of future cash limits and 4 year service planning</li> <li>• Communications and lobbying strategy</li> <li>• Focus on benchmarking efficiency and comparative value for money</li> <li>• Strong partnership arrangements (inc the voluntary and community sector)</li> <li>• Consultation and strong evidence base of residents' views and needs used to influence policy decisions</li> </ul>				
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><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Operation of Reconciling Policy and Resources for 2011/12</li> <li>• Realistic Medium Term Resource assumptions for 2014/15</li> <li>• Links to Risk Management Protocols</li> <li>• Operation of capital planning methodologies</li> <li>•</li> </ul>				
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	

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	<u>Mitigating Actions</u> <ul style="list-style-type: none"> <li>• Formal monthly monitoring and reporting</li> <li>• Enhanced budget monitoring processes</li> <li>• Risk management arrangements</li> <li>• Medium Term planning</li> <li>• Expanded Saving Tracking to be put n place</li> </ul>				
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"> <li>• Robust performance management and risk regimes in place</li> <li>• Continued strengthening of customer focus and equalities work</li> <li>• Strong partnership arrangements</li> <li>• Clear communications and consultation strategy and infrastructure</li> </ul>				
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"> <li>• Strong relationships with local partners</li> <li>• Integrated sustainable community strategy showing joint priorities</li> <li>• East Sussex in Figures providing robust evidence base.</li> </ul>				

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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).	<b>2</b>	<b>4</b>	All Chief Officers	
	<b><u>Mitigating Actions</u></b> <ul style="list-style-type: none"> <li>• Relationship strategies in place</li> <li>• Review of contract management arrangements</li> <li>• Council wide review of commissioning and procurement approach</li> </ul>				
9.	Failure to secure an effective revised ‘Agewell’ Scheme in line with business objectives.	<b>2</b>	<b>3</b>	Keith Hinkley	
	<b><u>Mitigating Actions</u></b> <ul style="list-style-type: none"> <li>• Full link to corporate capital planning.</li> <li>• Care needs linked with Commissioning Strategies.</li> <li>• Five sites being marketed.</li> <li>• Programme arrangements being monitored through the Departmental Management Team.</li> </ul>				
10.	Failure to put in place an effective medium term service plan consistent with commissioning strategies, Think Personal, Act Local, whole system challenges, and drivers with maximum efficiencies and resources available.	<b>2</b>	<b>4</b>	Keith Hinkley	
	<b><u>Mitigating Actions</u></b> <ul style="list-style-type: none"> <li>• Objectives for Think Personal, Act Local 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</li> </ul>				

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	<p>core performance management processes within the County Council.</p> <ul style="list-style-type: none"> <li>Implementing the change agenda through robust programme and project management arrangements.</li> <li>Lean project focuses on cultural shift needed to provider services to those most in need.</li> </ul>				
11.	<p>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.</p>	4	4	Becky Shaw	*
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>Robust partnership working with PCT and development of joint approach with GP consortia.</li> <li>Successful 'early implementer' status for Public Health given to East Sussex by Department of Health</li> <li>County wide conference promoting the development of an effective public health delivery system 3 Feb 2011</li> <li>Successful transfer of Public Health commissioning staff to County Hall April 2011 to allow for supported transition to Council, earlier joint planning and focused delivery of saving targets</li> <li>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.</li> <li>Delivery through robust programme management arrangements of the agreed plan.</li> </ul>				
12.	<p>Failure to sustain current improved performance on our priority performance indicators within Adult Social Care</p>	2	4	Keith Hinkley	

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	<u>Mitigating Actions</u> <ul style="list-style-type: none"> <li>Continue with the DMT led Performance Board.</li> <li>Develop our benchmarking for the National Indicator Set.</li> <li>Enhance performance through programme arrangements for Putting People First.</li> <li>Lean project to develop efficient and effective care assessments, care planning and reviews</li> </ul>				
13.	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"> <li>DfT announced in mid December that Ministers wish to consider various aspects of the scheme, most notably environmental impacts and economic benefits, in more detail between now and the end of March</li> <li>We are working closing with DfT to ensure all issues are addressed without delay and that a decision can be taken as soon as possible after the end of March.</li> <li>Continue lobbying independently and through A21 Reference Group</li> </ul>				
14	Failure to reduce numbers of Killed and Seriously Injured on East Sussex roads.	2	3	Rupert Clubb	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> <li>Work with Safer Sussex Road Partnership (SSRP) partners to identify and implement pan-Sussex measures</li> </ul>				



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	<ul style="list-style-type: none"> <li>• Joint working with Police and Fires &amp; Rescue Service on Road Safety Education</li> <li>• Deliver specific East Sussex initiatives through East Sussex Casualty Reduction Steering Group (ESCRSG) action plan by: <ul style="list-style-type: none"> <li>○ Identifying measures where there is evidence of success</li> <li>○ Piloting these measures in East Sussex</li> <li>○ Rolling out successful pilots more widely</li> </ul> </li> </ul>				
15	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"> <li>• The HCIP programme is completing the end of the two year investment with an investment of £23m to improve the condition of our roads.</li> <li>• The scanner results will be available in February when we will be able to gauge the impact the investment has had.</li> <li>• We are working hard on customer strategy to better inform our customers of the decisions we take and the issues we face to better manage expectations.</li> <li>• A bid has been made to the Capital Plan to extend the HCIP for a third year into 2012/2013.</li> </ul>				
16	Failure to plan effectively for the disposal of the county's waste	2	4	Rupert Clubb	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> <li>• Agree revised timetable for completion of Minerals and Waste LDF</li> <li>• Develop and implement communications plan, tying in with waste disposal activity</li> <li>• Ongoing community consultation and engagement</li> <li>• Identify and test alternatives to land disposal</li> </ul>				

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	<ul style="list-style-type: none"> <li>Agree revised Waste &amp; Minerals Plan taking into account revised government policies</li> </ul>				
17	Financial risks relating to grant income of concessionary fares	4	3	Rupert Clubb	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> <li>Engage with Bus Operators to negotiate reimbursement levels.</li> <li>Promote the benefits of the bus pass and the need to focus resources effectively to the public.</li> </ul>				
18	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"> <li>New model in place</li> <li>Involvement of Scrutiny</li> <li>Implementation of PID approach</li> <li>Challenge / training for project sponsors</li> <li>Partnering arrangements with specialist project management</li> <li>More structured work on key client roles</li> <li>Review of forward planning skills and capabilities with key departments (e.g. Children's)</li> </ul>				
19	Failure to work effectively with other public sector bodies to rationalise the public estate and reduce overall costs	2	3	Sean Nolan	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> <li>Strong partnership relationships with other bodies</li> </ul>				

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	<ul style="list-style-type: none"> <li>• Support and facilitation of the County-wide asset planning initiative led by Eastbourne BC and Sussex Police Authority</li> <li>• Collaborative procurement of FM services</li> <li>• Roll-out of flexible working and better utilisation of the office estate</li> </ul>				
20	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.	2	4	Becky Shaw	
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> <li>• Robust planning processes and partnerships in place</li> <li>• New Local Economic Assessment &amp; East Sussex Economic Strategy</li> <li>• Annual business survey</li> <li>• LEP Board &amp; Executive in place; vision. Strategic objectives and enabling activities agreed</li> <li>• Robust Regional Growth Fund bids submitted by partners in both round 1 and round 2.</li> </ul>				
21	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"> <li>• 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</li> </ul>				

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	<p>young people who are most at risk of offending, becoming NEET, homeless etc.</p> <ul style="list-style-type: none"> <li>Develop a new Targeted Youth Support Service for 900 vulnerable young people.</li> </ul>				
22	<p>Failure to articulate effectively and commission school capital investment requirements over the short and long period</p>	3	4	Matt Dunkley	*
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>Ensure processes for admissions/place planning/forecasting processes to inform are integrated and streamlined, ensuring emerging issues and risks are highlighted appropriately.</li> <li>Proactive and continual review and assessment of school places pressures and reorganisation opportunities.</li> <li>Ensure that reorganisation issues in relation to school leadership (including headship vacancies in primary phase) and standards are prioritized and appropriate strategies incorporated in capital planning processes.</li> <li>Additional investment in feasibility studies.</li> <li>Review and assess use of assets for different purposes where opportunities are identified,</li> <li>Ensure all stakeholders are briefed on emerging issues and risks</li> <li>Ensure continued communications with DfE in order to clarify our strategy and requirements (maintain priority in national picture)</li> <li>Minimise/stop any expenditure commitments until funding is secured (any expenditure to be approved either by SMT or the respective board)</li> </ul>				

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23	As more schools convert to Academies, Council departments (and in particular CSD) will be affected by reducing available grant (both Formula Grant LACSEG & DSG LACSEG)	4	4	Matt Dunkley	*
	<p><b><u>Mitigating Actions</u></b></p> <ul style="list-style-type: none"> <li>• Review s251 to ensure interpretation and reported lines of expenditure are correct and/or consistent.</li> <li>• Ensure non-statutory services are traded (where appropriate) to mitigate loss of income.</li> <li>• Ensure changes to funding are reflected appropriately in s251 and budgets.</li> <li>• Ensure all affected departments are made aware of any changes to DfE policy and practice.</li> <li>• Maintain constructive relationship with Schools Forum; making sure they are aware of impact/potential impact on core central services.</li> <li>• Respond to any DfE consultations to highlight impact of any proposed changes to academies funding; liaising with other LA colleagues, LGA and ADCS as appropriate.</li> </ul>				
24	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, to the resulting budgetary pressure.	4	4	Matt Dunkley	*
	<p><b><u>Mitigating actions</u></b></p> <ul style="list-style-type: none"> <li>• Service Transformation Programme agreed by Cabinet which will be overseen by an Executive Board reporting back regularly to Cabinet, COMT and LSCB.</li> <li>• Ofsted Announced and Unannounced inspection action plans now in place and will be overseen via SMT and the LSCB.</li> </ul>				

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25	Home to School transport routes are assessed against a nationally set standard. If a route is deemed unsafe, transport is organised. If the national guidance were to change and as a result more routes were deemed unsafe, then this would be a risk to the budget	2	2	Rupert Clubb	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> <li>Report any likely changes to guidelines and the consequences of those changes in a timely manner</li> </ul>				
26	Insufficient priority / resources might exacerbate future shortages of funding for County services infrastructure required to support development	2	3	Rupert Clubb	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> <li>Brief COMT re Community Infrastructure Levy (CIL), particularly with regard to governance and allocation of CIL revenues and providing new guidance on securing development contributions through Section 106 when its scope is scaled back, i.e. April 2014.</li> <li>Services to work with the district and borough councils to identify: <ul style="list-style-type: none"> <li>(a) infrastructure required to support development;</li> <li>(b) likely timescales for providing that infrastructure; and</li> <li>(c) estimated costs of providing that infrastructure and any gaps between those costs and the levels of any existing funding streams</li> </ul> </li> </ul>				
27	A delay in delivering superfast broadband leaves East Sussex in an uncompetitive position	2	4	Rupert Clubb	*
	<u>Mitigating Actions</u> <ul style="list-style-type: none"> <li>Keep on corporate and political agenda by regularly briefing</li> </ul>				

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	<p>members and partners, and submitting progress reports to COMT.</p> <ul style="list-style-type: none"> <li>• Work with BDUK by attending their briefings, actively participate in the broadband “huddle” and engage more deeply with delivery market via a soft market testing.</li> <li>• Effective communications on potential benefits to the county via regular updates to the webpage (at least bi-monthly) and put in place demand stimulation programme by Autumn 2011.</li> <li>• Risk jointly owned with partners and mitigations discussed at e-Sussex operational group meetings.</li> </ul>				