

Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **15 March 2013**

By: **Chief Executive**

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 mitigating actions being proposed and implemented by Chief Officers.

1. Financial Appraisal

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

2. Supporting Information

2.1 We continue to strengthen our approach to risk management in response to the changing risk landscape across the public sector and a changing risk profile for the County Council. The aim is to further embed sound risk management practice within the culture of the council and to move towards a more mature, dynamic and real time approach which supports the Council in managing the delivery of priority outcomes with reducing resources.

2.2 The revised Strategic Risk Register is attached as Appendix 1 and reflects this development. Whilst the format is broadly the same as previously a number of changes have already been made:

- The register is more clearly focused on the risks to the delivery of the Council's key corporate objectives, as set out in the Promise;
- There is a clearer link between the Strategic Risk Register and departmental risk registers, which are now reviewed on a monthly basis at departmental management teams and are reported quarterly to CMT to allow appropriate escalation;
- Risk monitoring is now integrated alongside finance and performance monitoring as part of a single quarterly report to CMT and Cabinet. The attached register has recently been reviewed and, where necessary, updated by CMT. Departmental risk registers are also circulated to the relevant scrutiny committee members to inform their activities and work plans.

2.3 Risk management arrangements will be further strengthened over the coming year and this will include:

- training and awareness activities to help improve the quality of risk assessment and associated mitigation measures, and;
- continued work to help better align risk, performance and financial management.

BECKY SHAW
Chief Executive

Contact Officers : Russell Banks, Head of Assurance : Tel:01273 481447
Rawdon Philips, Insurance & Risk Manager Tel: 01273 481593

Local Member: All

BACKGROUND DOCUMENTS

None

STRATEGIC RISK REGISTER						
The following 'heat map' highlights the number of risks currently on strategic risk register and their current rating using the 4x4 matrix - likelihood and impact						
LIKELIHOOD	Score		Impact			
			1	2	3	4
	Low	Medium	High	Extreme		
	4	Almost certain	0	1	0	0
	3	Likely	0	0	5	1
2	Moderate	0	0	0	1	
1	Unlikely / Rare	0	0	0	0	

Risk Level	Reference	Risk	(I) Impact Score 0 - 4	(L) Likelihood Score 0 - 4	Risk Score (L x I)	Risk Control	Department	Owner	Last Updated
Strategic	Strat-01	Failure to plan a strategic corporate response to resource reductions, demographic change, and regional economic challenges.	4	3	12	<ul style="list-style-type: none"> RPPR process incl. medium term financial planning and development of savings options. Commissioning strategy and work programme. Strategic approach to partnerships. Corporate change programme - infrastructure and programmes in place to support delivery of objectives e.g. Agile, Consolidation. Engagement with Leadership Group. 	Corporate	Becky Shaw	07/11/2012
Strategic	Strat-09	Failure to achieve a sustainable improvement in the condition of A&B class roads.	3	3	9	<ul style="list-style-type: none"> Deliver third year of investment in 2012/13 as planned. Develop asset plan to inform choices about investment and their impacts. Propose level of capital investment required over next 5 years. Build on collaborative working with Surrey to secure efficiencies in rates and exploit joint purchasing power. 	Corporate	Rupert Clubb	07/11/2012
Strategic	Strat-06	Health changes leading to sub-optimal outcomes for East Sussex community. Impact of local NHS deficit and recovery plan on both health outcomes and ESCC services / costs.	3	3	9	<ul style="list-style-type: none"> Partnership working with CCGs and NHS Sussex on the development of joint commissioning and delivery arrangements for health and social care. Shadow Health and Well Being Board to promote partnership working and oversee development and implementation of Health and Well Being Strategy. Robust programme management arrangements for the agreed plans. Management of joint commissioning arrangements Quality Innovation Productivity and Prevention targets and health and social care transformation. Early Implementer status for Public Health Multi Agency Public Health Steering Group to oversee new arrangement. 	Corporate	Becky Shaw	07/11/2012
Strategic	Strat-03	Failure to deliver capital programme outcomes on-time and on-budget.	3	3	9	<ul style="list-style-type: none"> Establish Capital Board and develop work programme. Capital programme more clearly linked to RPPR. Procure specialist delivery support Property Improvement Plan. 	Corporate	Matt Dunkley	15/11/2012
Strategic	Strat-04	Ineffective corporate support functions	3	3	9	<ul style="list-style-type: none"> Implementation of improvement plans for procurement, property and ICT. Consolidation of resource functions under COO. Develop strategic partnerships for support service functions. Overall outcomes and business plans. Engagement with Leadership Group 	Corporate	Becky Shaw	24/01/2013
Strategic	Strat-05	Under-informed and under-motivated workforce results in adverse impact on service delivery / performance and ability to successfully deliver service transformation / corporate change programme.	3	3	9	<ul style="list-style-type: none"> Employee engagement programme. Review of internal communication function. Consistent and supportive management of single status roll out and restructuring. HRMB work programme. 	Corporate	Simon Hughes	07/11/2012
Strategic	Strat-08	Decline in the regional and sub-regional economy and failure to deliver local economic regeneration	4	2	8	<ul style="list-style-type: none"> Implement economic development strategy. Re-focussing of capital programme to support economic development. Partnership working through SELEP. Broadband project leading to increased coverage of superfast broadband. Inward investment programme. Link Road releases economic development potential in Hastings / Bexhill. 	Corporate	Rupert Clubb	07/11/2012
Strategic	Strat-07	Welfare reform leading to sub-optimal outcomes for East Sussex community. Impact on working age adults and potential financial impact on County, District and Borough services.	2	4	8	<ul style="list-style-type: none"> Joint approach with boroughs and districts to design common scheme for East Sussex. Specialist support commissioned for financial modelling. Potential financial impact reflected through RPPR. Partnership approach through Financial Inclusion Partnership. 	Corporate	Becky Shaw	12/11/2012