

## Agenda Item 7

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

Date: **6 September 2013**

By: **Chief Operating Officer**

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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**RECOMMENDATION: The Committee is recommended to note the current strategic risks and the mitigating actions being proposed and implemented by Chief Officers.**

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### **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. During the quarter, we have commenced a programme of risk review and challenge sessions with all risk owners to help improve the articulation of risks, strengthen risk controls and ensure proper consideration is given to the cost of controls relative to the risks being mitigated. It is anticipated that this work will be completed by the end of September 2013.

2.3 The latest version of the Council's Strategic Risk Register is attached as Appendix A. Whilst overall number of risks has not changed since the register was last reviewed by the Audit, Best Value and Community Services Scrutiny Committee in June 2013, some improvements have been in the articulation of risks and key mitigating actions.

2.4 We will continue to explore opportunities to further strengthen the Council's risk management arrangements and for mitigating our key strategic risks. It is however, important to recognise that in some cases, there is an inherent risk exposure over which the Council has only limited opportunity to mitigate or control.

KEVIN FOSTER  
Chief Operating Officer

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Local Member: All

Background Documents :  
None

Reference		Strategic Risks	Key Actions	Status	Chief Officer
Strat-06	HEALTH	Health changes leading to sub-optimal outcomes for East Sussex community. Impact of local NHS deficit and recovery plan on both community health outcomes and ESCC services / costs, especially through increased social care pressures.	<ul style="list-style-type: none"> <li>Partnership working with Clinical Commissioning Groups on the development of joint commissioning and delivery arrangements for health and social care.</li> <li>Health and Well Being Board and wider partners have agreed the Health and Wellbeing Strategy and Action plan.</li> <li>Robust programme management arrangements for the agreed plans.</li> <li>Management of joint commissioning arrangements and targets and health and social care transformation.</li> </ul>	R	Keith Hinkley
Strat-10	ROADS	The recent severe winter caused significant damage to many of the County's roads as a result of an unprecedented number of potholes. Whilst these have now been repaired, there remains a risk that if another cold severe winter is repeated we will experience similar numbers of potholes and further damage to the county's roads. As such the County Council's ability to manage high numbers of potholes and resultant impact on the Council's reputation remains at risk. Similarly the Council's ability to cope with the associated high volume of liability claims remains a risk.	<ul style="list-style-type: none"> <li>The County Council's investment in the County's road network continues and the investment over the last three years has resulted in an improvement in the overall condition of our principal and non-principal roads.</li> <li>Many of the roads that were affected by the recent winter weather have been patched or are being resurfaced / surface dressed so will not be vulnerable to future bad weather.</li> <li>The development of a Highways Asset Plan and associated 10 year investment programme is nearing completion which will outline longer term plans to continue the improvement of the road network, particularly those 'C' and Unclassified roads.</li> <li>A recent review of the highways claims process has highlighted a number of improvements that will improve and quicken the County Council's ability to respond to and repudiate third party claims for damages.</li> <li>Longer terms improvements also anticipated through the future highways maintenance contract.</li> </ul>	R	Rupert Clubb
Strat-01	RESOURCE	Failure to plan and implement a strategic corporate response to resource reductions, demographic change, and regional economic challenges in order to ensure continued delivery of services to the local community.	<ul style="list-style-type: none"> <li>Robust RPPR (Reconciling Policy, Performance and Resources) process business planning.</li> <li>Adoption of Commissioning strategy and work programme.</li> <li>Strategic approach to partnerships.</li> <li>Infrastructure and programmes in place to support delivery of 'one council' objectives e.g Agile &amp; Consolidation.</li> </ul>	A	Becky Shaw
Strat-08	LOCAL ECONOMIC GROWTH	Failure to deliver local economic growth, and failure to maximise opportunities afforded by Government proposal to allocate single pot funding to South East Local Enterprise Partnership, creating adverse reputational and financial impacts.	<ul style="list-style-type: none"> <li>Develop new Growth Strategy for East Sussex with the South East Local Enterprise Partnership to secure Single Local Growth and EU Funding</li> <li>Partnership working through the SELEP (South East Local Enterprise Partnership) (e.g. securing Growing Places Funding) and through Local Transport Board</li> <li>Broadband project leading to increased coverage of superfast broadband.</li> <li>Link Road releases economic development potential in Hastings / Bexhill.</li> <li>Develop new Employability &amp; Skills Strategy for the County Council</li> <li>Promote East Sussex as a place to do business through new Inward Investment Service.</li> <li>Work with SeaChange Sussex to deliver economic development projects.</li> <li>Important to note that whilst we can mitigate some of the risk associated with the County Council's role in delivering economic growth for East Sussex, there will always be an inherent risk that we cannot control. There are a number of external factors which have a direct impact on the economic performance of the county, not least the state of the national and global economy.</li> </ul>	A	Becky Shaw
Strat-11	SCHOOLS	Impact of changing schools status from LA maintained to academy/free school and loss of LA powers to intervene where there is a risk of underperformance. Risk to educational attainment levels with potential long term impact on East Sussex economy.	<ul style="list-style-type: none"> <li>Implement and monitor strategic plan to secure high performing sponsors to work in East Sussex.</li> <li>Effective management of academy conversion programme, free schools and Newhaven University Technical College (UTC) - Cleantech to establish on-going relationships with converters.</li> <li>Establish new partnership arrangements for performance monitoring of all schools to include academies and maintained schools.</li> </ul>	A	Ged Rowney
Strat-03	CAPITAL PROGRAMME	Failure to deliver capital programme outcomes on-time and on-budget, impacting on the Council's ability to support local economic growth.	<ul style="list-style-type: none"> <li>5 year capital programme agreed reflecting Council priorities and linked to RPPR process.</li> <li>Capital board established to monitor delivery of the capital programme.</li> <li>CMT to operate as overall programme board overseeing capital programme delivery.</li> </ul>	A	Becky Shaw
Strat-05	WORKFORCE	Under-informed and under-motivated workforce results in adverse impact on service delivery / performance and ability to successfully deliver service transformation / corporate change programme.	<ul style="list-style-type: none"> <li>Employee engagement programme.</li> <li>Consistent and supportive management of single status roll out and restructuring.</li> <li>Effective joint working with Trade Unions.</li> <li>Establishment and communication of corporate values and behaviours for staff.</li> <li>Introduction of CMT webcat with staff.</li> <li>Future staff survey supported by clear action plans to address key issues arising.</li> </ul>	A	Becky Shaw
Strat-07	WELFARE REFORM	Welfare reform leading to sub-optimal outcomes for East Sussex community. Impact on working age adults with the potential increased demand on services. Direct financial pressure on the County Council along with implications on spending within the wider local economy.	<ul style="list-style-type: none"> <li>Joint approach with boroughs and districts to design common Council tax Benefit scheme for East Sussex.</li> <li>Specialist support commissioned for financial modelling.</li> <li>Potential financial impact reflected through RPPR.</li> <li>Partnership approach through Financial Inclusion Partnership and Targeted Welfare Reform Project.</li> <li>There remains an element of inherent risk over which the County Council does not have control.</li> </ul>	A	Becky Shaw