

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

Date: **12 March 2014**

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 risk controls / responses.**

RECOMMENDATION: The Committee is recommended to note the current strategic risks and the risk controls / responses 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 Strategic Risk Register is attached as Appendix A. This is formally reviewed by Departmental Management Teams and the Corporate Management Team on a quarterly basis and was last reviewed by Cabinet in March 2014.

2.3 Since the last review by the Audit Best Value and Community Services Scrutiny Committee in September 2013, the overall number of risks has not changed, although there have been some improvements in relation to risk articulation and risk controls / responses.

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.

3. Risk Improvement Activity

3.1 In order to facilitate risk management improvements, further embed sound risk management practice in the culture of the Council and to help improve the quality and effectiveness of risk controls / responses, the Risk and Insurance Manager has completed a series of review meetings with departmental risk owning managers across the authority.

3.2 Regular reviews of risk registers are also now undertaken in conjunction with departmental risk coordinators to ensure that relevant risks are identified and risk controls / responses are effective.

3.3 A risk review of the Social Care Information System (SCIS) Programme has also been undertaken as the first stage of our plans to help strengthen project and programme risk management more generally.

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Local Member: All

Background documents :
None

Ref	Strategic Risks	Risk Control / Response	RAG
1	<p>ROADS Severe winter weather, over recent years, caused significant damage to many of the county's roads including an unprecedented number of potholes. Another severe and prolonged winter in 2013/14 could cause similar levels of damage. We know that this is likely to lead to a backlog in repairs, an increased number of potholes and an increased number of liability claims causing reputational damage and increasing financial risk to the Council.</p>	Investment has resulted in an improvement in the overall condition of our principal and non-principal roads. Roads that have been patched or resurfaced will be less vulnerable to future bad weather. The Highways Asset Plan and associated ten year investment programme will direct longer term plans to continue the improvement of the road network, particularly 'C' and Unclassified roads. Improvements have been made to the highways claims process to improve response times and better repudiate third party claims for damages. Longer term improvements are also anticipated through the future highways maintenance contract.	R
2	<p>HEALTH Programme established to transform of health and social care in East Sussex and deliver the Better Care Fund plan to improve outcomes for East Sussex residents. Failure to deliver programme will impact on social care, public health and health outcomes and increase social care cost pressures.</p>	Implementation of East Sussex Better Together Programme by ESCC and all East Sussex Clinical Commissioning Groups, with robust governance arrangements reporting to County Council and Health and Wellbeing Board. Programme will include review of needs and available resources, wide engagement with stakeholders and residents and evidence of best practice, to develop a plan for a clinically and financially sustainable health and social care system in East Sussex. There will also be targeted use of the Better Care Fund to better integrate health and social care and contribute to whole system transformation.	A
3	<p>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.</p>	We employ a robust Reconciling Policy, Performance and Resources (RPPR) process for business planning. We have adopted a commissioning approach which means evaluating need and considering all methods of service delivery, which includes working with partner organisations to deliver services. The Council Plan sets out targets for a 'One Council' approach to deliver our priorities and is monitored quarterly.	A
4	<p>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.</p>	Develop new Growth Strategy for East Sussex with South East Local Enterprise Partnership (SELEP) to secure Single Local Growth and EU Funding. Continue partnership working through SELEP and Local Transport Board. Increase coverage of superfast broadband. Release economic development potential in Hastings / Bexhill via construction of the Hastings to Bexhill Link Road. Develop new Employability & Skills Strategy. Promote East Sussex as a place to do business through 'Locate East Sussex' a new Inward Investment Service. Work with SeaChange Sussex to deliver economic development projects. There will be a peer review of the effectiveness of the economic development work across the County Council and District and Borough Councils in March.	A
5	<p>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.</p>	Implement and monitor strategic plan to secure high performing sponsors to work in East Sussex. Effective management of academy conversion programme, free schools and Newhaven University Technical College (UTC) - Cleantech - to establish on-going relationships with converters. Establish new partnership arrangements for performance monitoring of all schools to include academies and maintained schools.	A
6	<p>CAPITAL PROGRAMME Failure to deliver capital programme outcomes on-time and on-budget, impacting on the Council's ability to support local economic growth.</p>	The Council has an agreed five year capital programme in place which reflects Council priorities and has been developed as part of the Reconciling Policy, Performance and Resources (RPPR) process. The capital board monitor delivery and Chief Officers act as the overall programme board overseeing capital delivery. Quarterly performance monitoring reports to Cabinet and County Council highlight key issues around capital spend.	A

Ref	Strategic Risks	Risk Control / Response	RAG
7	<p>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.</p>	<p>There has been a consistent and supportive management of single status roll out and restructuring which is due to conclude in 2014. We have worked effectively in partnership with Trade Unions throughout. Building on the feedback from the Employee Engagement sessions run last year, we have commenced a series of engagement sessions with the purpose of supporting and equipping managers to engage with their teams during the on-going period of change. These events will also be used to reinforce the Council's behaviours which are applicable to all employees. Corporate Management Team web-chat provides a quarterly opportunity to engage with a broader cross section of the workforce and respond to staff queries and issues.</p>	A
8	<p>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.</p>	<p>Work with the District and Borough Councils to understand the impact of changes to the Council Tax Benefit scheme for East Sussex. Any potential financial impact is reflected through the Reconciling Policy, Performance and Resources (RPPR) process. We are working in partnership through the Financial Inclusion Partnership and the Targeted Welfare Reform Project which provides information on the changes to partners and the public across East Sussex. There remains an element of inherent risk over which the County Council does not have control.</p>	A