

City of York Council
Corporate Management Team

Key Corporate Risks

Brainstorming Exercise 29 November 2006

Risk	Risk Detail	Associated Considerations
Completion of the Pay and Grading review (Job Evaluation)	Job Evaluation presents a whole raft of potential risks to the Council. These range from lawfulness issues (eg meeting statutory deadlines) and financial considerations (ie affordability) to employee relations problems (eg industrial action, demoralised workforce, recruitment and retention issues etc). A list of all identified risks, management controls and mitigation actions have been incorporated into the Council Risk Register.	<p>Communications with staff & unions</p> <p>Low profile of pay agenda amongst key stakeholders.</p> <p>Long-term strategic and financial impact to the Council.</p> <p>Impact on staff relations and Council reputation</p> <p>Impact on Equal Pay settlements and increased risk of legal actions against the Council through delayed JE solution</p>
Failure to achieve agreed capital receipts within planned time scales and/or at all	The affordability of the Capital Programme is underpinned by the delivery of agreed capital receipts within planned time frames. The key risks associated with this issue are whether all earmarked sales and projected income streams are realistic and/or whether sales can be achieved within the time scales necessary to fund other capital investments as set out in the Programme.	<p>Budget and service implications of not achieving planned receipts.</p> <p>Potential future borrowing against unachieved capital receipts and any associated impact on Prudential Indicators/MTFF strategy</p>
Unsuccessful delivery and/or outcome of the Administration Accommodation Review	Efficiencies and facilitation of cultural change through rationalisation to one-site operations. The project relies and has interdependencies with other programmes of work such as FMS replacement and Easy@york . A project risk register is being used for management control and planned mitigation purposes.	<p>Failure to achieve the efficiency savings identified within the financial model</p> <p>Effective management of multi-project interdependencies and constraints</p> <p>Failure to plan and manage overall cultural change issues by the body corporate</p> <p>Failure to secure the Hungate site by April 2008 (Ambulance service re-location, archaeological dig, unforeseen contingencies/delays etc)</p>

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Failure of Waste Management Strategy/Partnership	Financial penalties of failing to manage satisfactory partnership solution to waste agenda. Partnership solution with NYCC introduces risks to the programme from CYC perspective (control, breakdown of effective working, governance etc). Project risks of the partnership have been identified and are being managed by NYCC as the lead body.	Failure to secure sufficient credits to fund the PFI solution Political and service implications of partnership and project failure
Implications of the forecast budget funding gap (MTFF projections)	Failure to set a balanced budget Issues and risks associated with future funding pressures (failure to deliver statutory services, staff relations problems, on-going political pressures to cut Council infrastructure to reduce impact on front line delivery etc etc). All risks, controls and mitigation need to be fully documented and incorporated into the Risk Register for management review and control.	Increased requirement for/reliance upon supplementary funding solutions and additional risks that may result (ie PFI, increased fees & charges, service innovations etc) Political pressures in lead up to and post May elections re 2007/08 budget and beyond
Failure of project & programme management	The Council is still embedding the necessary systems and approach for ensuring successful project and programme management. Whilst Prince II and MSP methodologies have been adopted as a general standard, deployment and compliance remain matters of concern.	Poor project and programme management increase the risks of project creep, non-delivery of key outcomes, budget overspend and failing to fully realise project benefits Lack of organisational commitment to achievement through application of inappropriate or insufficient resources Governance and CPA implications of poorly conceived and embedded management and control infrastructure

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Failure to achieve Council priorities	Public failure to achieve stated priorities, associated risks range from reputation issues, political embarrassment and CPA implications to lost opportunities to improve organisational performance across a coherent cultural and management change programme.	<p>Adequacy and consistency of planning and project/programme management framework</p> <p>Organisational commitment to the investment and resources necessary to successfully deliver complex development and improvement plans across a large number of core statements.</p> <p>Changing political priorities pre/post election</p> <p>Adequacy of the strategic planning framework and partnering implications</p>
Failure of a strategic procurement exercise/SPP initiative	There will be about 15 key strategic procurements set out in the new Strategic Procurement Programme (to be reported in January 2007). The overall risk is that the programme will not ensure the effective corporate management of strategic procurement at the Council. There are also a whole range of risks associated with the failure of departments to deliver any individual project. The risks associated with each individual project will need to be identified and documented within the Risk Register for management control and mitigation purposes.	<p>The financial, reputational and service delivery implications of a strategic procurement exercise failing to deliver its objectives.</p> <p>Failure of Strategic Procurement Programme to properly support the effective management of strategic procurement activity across the organisation in future years.</p>
Effective management of the election process	Risk arises due to over-reliance upon a key individual in Civic Services who may not be available to manage the election process in May 2008.	Issues illustrated by this instance include risks arising from capacity management/resilience problems in Council infrastructure services exacerbated by failures to successions plan effectively and plan for business continuity purposes.

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Turnover in key personnel and Members after May 2007	<p>Known loss of CEX, Director of LCC, 2 ADs LCC, others? New Director CEX and new CEX</p> <p>Potential change in political administration following the May 2007 elections</p>	<p>Issues arounds succession planning, continuity of services, lost intellectual assets, knowledge, networks etc as well as lead times for new personnel/members to get up to speed with their briefs, communicate their objectives and implement plans/managed change</p>
Failure to deliver Local Area Agreement	<p>Increasing adverse risks associated with failure further to the expectations set out in the White Paper. Felt to be higher risk issue also due to lack of commitment/investment in LSP and other partnerships by the organisation in the past.</p>	<p>Future role of the LAA to drive improvement and joined up service solutions</p> <p>LAA as a vehicle for arms-length performance management of LAs by central government departments in future years</p>
Failure to maintain or improve Council CPA score in January 2008	<p>Reputational and possible future funding risks of scoring less than 'good' but an increased likelihood of such an outcome due to 'the harder test', re-inspection of key blocks in 2007 that may not be sustained at 2002 level and failure to make sufficient improvements in organisational infrastructure/other issues marked down in previous years</p>	<p>Last year of the current CPA process as system set to change after 2008/09. Imminent introduction of new regime may impact on national publicity around results. Possible lost opportunity to improve in a coherent and planned way over time if the temptation is to shift improvement focus to match the changing expectations of the external inspection regime.</p>
Failure to deliver Transformational Government	<p>The Council has to respond to keep up with the hopes and aspirations of citizens and business, to remain efficient and trustworthy. The key risk is around the vision to deliver public services, using the power of new technologies as this comes back to project & programme management areas of high risk within the Council</p>	<p>Risks include scarce resource and skills to deliver change programmes (along with management risks associated with project/programme management at CYC set out previously above.</p>

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<p>Failure to deliver LCC capital projects Lowfields/Oaklands, Manor, Joseph Rowntrees (£70m)</p>	<p>The Building Schools for the Future and the ECM agenda are high value high risk programmes of work</p>	<p>Risks include budget overspend, delays in delivery, partnership working.</p>
<p>Failure of Social Care Review to address service issues within prescribed financial limits – ie increasing needs of an aging population, complex demands, supply demands, cost and procurement</p>	<p>This is a key change management area, which requires us to work in partnership with external organisations in the delivery of a sensitive service against a background of ever increasing demands for service and significant budget constraints and the need for greater rationing and restriction over the levels of service provided in future years.</p>	<p>Failure of the external provider to deliver required service.</p> <p>Planning to meet the increasing and changing needs of customers.</p> <p>Budget pressures</p>
<p>Partnering – Regulation & Governance</p>	<p>Governance issues around the proper management of partnerships is not robust and leaves the Council open to a variety of potential problems and threats to the organisation.</p> <p>Implications for CPA UOR in 2006 and 2007 refresh exercises and knock on effect on the corporate CPA in 2008</p>	<p>CPA UOR bold criterion failure (ie whole KLOE fails as a result of poor partnership governance arrangements as judged by the District Auditor in 2006 refresh). Key actions required by the lead department (City Strategy) if weaknesses are to be addressed before January 2008 CPA.</p> <p>Poor governance risks include lack of documented agreements/MOUs, lack of indemnity, lack of compliance with equalities, H&S risks, financial, contracting and other procedural regulations, ethics, standards, data sharing, security of information etc etc etc</p>