

## Audit & Governance Committee

28 July 2010

Report of the Assistant Director CBSS (Customer Service & Governance)

### Key Corporate Risk Monitor One 2010/11

#### Summary

1. The purpose of this paper is to present to Audit & Governance Committee (A&G) the current position of the risks associated with the Key Corporate Risks (KCRs) as at the end of June 2010.

#### Background

2. The KCRs are reported to both Audit & Governance Committee (A&G) and CMT on a quarterly basis as part of the council's overall governance arrangements. The KCRs are regularly reviewed at Corporate Leadership Group (approximately every two years) and on an ongoing basis as part of the quarterly monitoring sessions at A&G and CMT.
3. CMT as part of this process have identified the requirement to add a new KCR in respect of the current Government spending policy and this has been included at Annex B along with comments on the current key risk position at paragraph 5. The inclusion of this new risk allows for the removal of KCR 0012 (Effects of the Economic Downturn). A further new risk has also been highlighted in relation to corporate performance and this is set out in more detail at paragraph 7.

#### Monitor One

4. Annex A provides a new summary sheet, which highlights the changes in the risks reported under each of the KCR focus areas since the last monitor. The position of the KCRs as at the end of June 2010 are set out at Annex B and confidential Annex C of this report. The monitor is complete in terms of accurately reflecting the information recorded in the council's risk register (Magique) however, there is an on-going requirement for risk owners to ensure their risks are accurate, complete and up-to-date.
5. Whilst A&G can review the monitor (Annex B & C) in its entirety the 5 Critical risks and an update on the administrative accommodation

planning risk are set out below with the risk owners up to date views on the situation:

### **KCR 0003 Waste Management Strategy Partnership**

#### Termination of the project

*"The City of York Council and North Yorkshire County Council will be presenting a report to Members in September / October which will provide Members with the opportunity to award a contract to build a facility that can deal with the authorities waste over the next 25 years. At this point it will be possible to review the status of this particular risk."*

### **KCR 0016 Capital Programme**

#### Failure to deliver York Sports Village

*"The York Sports Village project has now been approved by the both the University and the Council's Executive. It is intended that the project starts on site in early 2011. This is subject to full Council agreeing the allocation of an additional £1m of capital to the project in order to complete the necessary funding package. Principal risks remaining will then be associated with i) obtaining planning approval, and ii) meeting the external funding body's criteria in order that the £1m of external funding allocated to the project in principle can be released."*

#### Failure to obtain funding for Access York Phase 1

*'The delivery risk for the Access York Phase 1 project has been elevated to critical because of the suspension of the government's transport major scheme procedure. The other key risks such as planning consent and land purchase have all been resolved satisfactorily but the availability of the principal funding source, confirmed by the previous administration in March, is now more uncertain. Approximately 90% of the funding (£22.9m) was expected to be provided by the Department for Transport. Their budgets are expected to be reduced and the distribution of the remaining funding focussed onto coalition priorities. It is not expected that the situation will become clearer until after the Comprehensive Spending Review in October and the publication of the new major scheme guidance which may be even later in the year. As the Park & Ride project is relatively low cost, excellent value for money with low deliverability risk and good sustainability credentials it is anticipated that the scheme will still be a priority when the government's review is complete. Alternative funding sources for the project are being investigated but are unlikely to be available at the low match funding levels needed.'*

### Administrative Accommodation Planning risk

*"Although the council planning committee has approved the YILLP planning application, it has done so with conditions, and an objection by the Victoria Society, (a statutory consultee) has resulted in the referral of the listed building consent to the Secretary of State. Consequently the risk has reduced, (we know what conditions have to be addressed and how to address them, and the belief is that approval will be confirmed by the Secretary of State). Therefore the overall net risk score has been reduced to 17. (i.e the chance is now remote but the consequence would still be serious)."*

### **KCR 0019 Safeguarding**

#### Safeguarding

*"In common with every other local authority this risk remains a constant. The controls in place are regularly reviewed and updated in line with emerging national guidance. Measures to review and strengthen the controls in place to manage this risk in the next quarter include, participation in an IDEA Peer Review of our Local Safeguarding arrangements, implementation of our local action plan following the recent unannounced inspection of our contact, referral and assessment service, implementation of a new supervision policy for all children's social care workers involved in child protection activity and improved case file auditing arrangements"*

### **KCR 0022 Government Spending Policy**

#### Financial Pressures

*"Reductions of approximately 25% in government department budgets are expected over the next 4 years. The Council needs a structured and strategic approach to deliver savings through the More for York programme to ensure that any change to service provision is aligned to the Council's key priorities"*

6. The other key changes to note since the last monitor include:
  - i. KCR 0003 - one new risk has been added 'termination of the project' as set out at paragraph 5 above.
  - ii. KCR 0008 - removal of CAA and UoR following the election of a new government and the announcement on 27 May from the Audit Commission that all work in this area was to stop with immediate effect.
  - iii. KCR 0020 - the risks around the new KCR on climate change are currently being worked on and should be available at monitor 2.
  - iv. KCR 0010 – The Emergency Planning critical risk in relation to responding to multiple incidents has been reviewed and

removed following the approval on 19 May 2010 of a new corporate business continuity plan and strategy.

7. A new KCR has been suggested, by the Office of the Chief Executive, in relation to the Corporate Performance Management Framework. This would replace the CAA and UoR risk (KCR 0008) and the description provided is 'The council has a duty to provide value for money services to meet the needs of the citizens in York and to be accountable to local people where this is not achieved. Failure to effectively manage the council's performance could impact adversely on the council's reputation both at a local and national level. As such the council's corporate performance management framework must be robust and provide a level of assurance, which enables both officers and Elected Members to make informed decisions in relation to service delivery'.
8. More detailed information can be provided by the appropriate risk owner from the relevant directorate, if it is required, in relation to any of the above risks or any others contained within the monitor.

### **Climate Change**

9. At A&G on 26 April 2010 members recommended to Executive the approval of the Climate Change KCR and requested a more detailed report at this session of A&G. A paper looking at the initial findings from the York Local Climate Impact Profile Study is attached at Annex D.

### **Fairness & Inclusion**

- 10 The council's definition of 'fairness and inclusion is about treating people according to their needs to achieve fair results across the full range of services and employment opportunities offered by the council, its partners, outside organisations that work for it, and organisations that the council gives grants to'. To achieve this the council has launched a three year strategy (July 2009 – July 2012). A&G are asked to consider a more detailed report from the officers concerned at the next A&G meeting in November to provide assurance that the risk of failing to deliver this policy is being properly managed.

### **Directorate High & Critical Risks**

11. In terms of high and critical directorate risks there are none requiring escalation to CMT for this monitor.

### **Options**

12. Not applicable.

## Corporate Strategy

13. The effective consideration and management of risk within all of the council's business processes will contribute to achieving an 'Effective Organisation' and aid the successful delivery of each theme within the Corporate Strategy.

## Implications

- (a) **Financial** - There are no implications
- (b) **Human Resources (HR)** - There are no implications
- (c) **Equalities** - There are no implications
- (d) **Legal** - There are no implications
- (e) **Crime and Disorder** - There are no implications
- (f) **Information Technology (IT)** - There are no implications
- (g) **Property** - There are no implications

## Risk Management

14. In compliance with the council's Risk Management strategy, there are no risks directly associated with the recommendations of this report. The activity resulting from this report will contribute to improving the council's internal control environment.

## Recommendations

15. Audit and Governance committee are asked to :
  - a. consider, comment and agree on the risks set out at Annex B, confidential Annex C and paragraph 5 of this report;  
  
Reason  
*To provide assurance that risks to the council are continuously reviewed and updated.*
  - b. recommend that the Economic Downturn (KCR 0012) is replaced with the Government spending policy (KCR 0022) and a new Corporate Performance risk (paragraph 3 & 7) is added to the KCR's and sent for onward approval by the Executive;  
  
Reason  
*To provide assurance that key risks are being regularly reviewed and updated to reflect the constantly changing environment in which the council operates.*

- c. approve a more detailed risk report in respect of Fairness and Inclusion is brought to A&G in September 2010 (paragraph 10).

Reason

*To provide assurance that key corporate strategy is being delivered and embedded across the organisation .*

## Contact Details

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Report Approved

Date 16.7.10

**Specialist Implications Officer(s)** Not applicable

**Wards Affected** Not applicable

All

For further information please contact the author of the report

### Background Papers

Key Corporate Risk Monitor Four 2009/10.

### Annexes

Annex A – KCR summary page

Annex B – Key Corporate Risk Monitor

Annex C – Key Corporate Risk Monitor (confidential risks)

Annex D – Climate Change Paper