

## Audit & Governance Committee

**29 September 2010**

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

### Key Corporate Risk Monitor Two 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 August 2010.

#### **Background**

2. The KCRs are reported to both the A&G and Corporate Management Team (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. A&G recommended to Executive that two new KCRs be added to the monitor at its meeting on 28 July 2010. These were 'Financial Pressures' as a result of the Governments spending policy and 'Corporate Performance Management Framework' to replace the CAA and UoR risk. These new KCRs were approved by Executive on 7 September as part of the quarter 1 performance report. The risks associated with the Financial Pressures KCR are set out at Annex B and the risks associated with the new performance risk will be available at monitor three.

#### **Monitor Two**

4. Annex A provides a summary sheet, which highlights the movement in the risks reported under each of the KCR focus areas since the last monitor. The risks for each directorate are reviewed where possible at DMTs in line with the Risk Management Strategy, for monitor two these were carried out in July and August by all directorates. The position of the KCRs as at the end of August 2010 is set out at Annex B 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. It is worth highlighting that the critical risk in relation to the Administrative Accommodation project 'Failure to achieve planning permission' has been removed as both planning permission and listed building consent have now been granted. Whilst A&G can review the monitor (Annex B and confidential Annex C) in its entirety the four Critical risks 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 later in the year 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. The Council has agreed to allocate the additional £1m of capital to the project required in order to complete the funding package. It is intended that the project starts on site in March 2011. Principal risks remaining are 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 provide funds at the same low (10%) CYC match funding rate as the DfT Major Scheme Bid.'*

## **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."*

6. 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.
7. The above comments from the risk owners help provide context around the critical risks contained with the monitor (Annex B) however risk owners often provide comments around some of their other risks that whilst not critical they feel need bringing to A&G's attention. As part of monitor two the observation below has been raised in relation to the administrative accommodation project. The 'action' in relation to this will take place after publication of this report so will appear out of date in the monitor. This also applies to one of the 'actions' in relation to the Cultural Resistance Risk (1795) in the More for York Programme.

### Risk - Failure of the organisation to implement the corporate transformational change agenda

*'This is a risk that if realised, will impact on the project. However it is not one that the project can control and therefore is unable to take meaningful ownership of. Ideally it should be re-classified as a corporate risk under the ownership of the More for York programme. This will be an agenda item on the next accommodation project board meeting.(September).'*

8. A further key change to note in monitor 2 is that two of the risks associated with the Safeguarding KCR (Retaining practitioners & Safety in schools) have been removed. This has been made possible by creating a more flexible workforce as part of the Social Care Restructure which has significantly reduced the risk of losing practitioners and has strengthened the council's profile as a social care employer of choice. In addition to this a Safeguarding Advisor for

schools has been successfully recruited and along with the excellent partnership arrangements with schools provides confidence that safeguarding is held as a key priority across all York schools.

### **Fairness & Inclusion**

9. At its meeting on 28 July A&G asked for a more detailed report around the recently launched three year strategy aimed at ensuring 'fairness and inclusion in 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'. It has been agreed by the Chair of A&G that this report will now be deferred to Monitor 3 in December.

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

10. In terms of high and critical directorate risks there are none requiring escalation to A&G for this monitor.

### **Options**

11. Not applicable.

### **Corporate Strategy**

12. 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. CMT requested that a review of corporate risks be undertaken which included risks associated with achieving the Corporate Strategy, this will take place in October 2010.

### **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**

13. 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**

14. A&G 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.*

## Contact Details

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Report Approved  Date

**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 one 2010/11.

### Annexes

Annex A – KCR summary page

Annex B – Key Corporate Risk Monitor

Annex C - Key Corporate Risk Monitor (Confidential risks)