

Audit & Governance Committee

5 December 2011

Report of the Assistant Director CBSS (Financial Services)

Key Corporate Risk Monitor Three 2011/12

Summary

1. The purpose of this paper is to present to Audit & Governance Committee (A&G) an overview of the risks associated with the councils Key Corporate Risks (KCRs) as at November 2011.

Background

2. The High and Critical KCRs are reported to A&G four times a year and at least twice a year to Corporate Management Team (CMT) as part of the council's overall governance arrangements. The KCRs along with directorate level risks are also regularly reviewed at Directorate Management Teams (DMT's).

Changes to the way risk are reported

3. As approved at A&G on the 26 July 2011 as well as providing an overview of High and Critically ranked KCRs each quarter the monitor now also provides directorates the opportunity to present an overview of their own High and Critical risks. This is being delivered on a rolling programme. CBSS & OCE delivered their risk reports at the last A&G committee in September 2011. The rest of the directorates will present their risks to A&G during the course of the year. The full year programme for 2011/12 is set out at Table 1 below.

Table 1

<u>A&G Committee</u>	<u>Directorate</u>
<u>Date</u>	
29 September 2011	- Customer & Business Support Services/Office of the Chief Executive
5 December 2011	- Community & Neighbourhoods/City Strategy
13 February 2012	- Adults Children & Education

4. The two Directorates presenting their risk registers at monitor three are City Strategy (CS) and Communities and Neighbourhoods (CAN's). Their overviews are set out at Annex A and B respectively.

Monitor 3

5. There has been no change in the number of critical KCRs since Monitor 2 2011/12. There are three critical risks corporately and the up to date risk owners comments are set out below:

KCR 0016 Capital Programme

Failure to obtain funding for Access York Phase 1

'The delivery risk for Access York Phase 1 is considered to be critical because the way that the government distributes funding for transport major schemes has significantly altered since the scheme obtained Programme Entry status in March 2010. 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, is now more uncertain.

To maximize the likelihood of funding being provided the project put forward to the DfT has been reduced in scope to the Askham Bar and Poppleton Bar sites and associated works only. In addition the funding allocation from the Council has been increased to £6.6m representing

approximately 30% of the total £21.9m cost. A Best and Final Funding Bid for these two sites was submitted to the DfT on 9 September. 45 schemes valued at approx. £870m are bidding for £600m of funds. A decision is expected in December 2011. Alternative funding sources for the remaining site at Clifton Moor are being investigated.

If the Access York Phase 1 scheme is successful in obtaining funding, it is anticipated that the project would be completed and the Park & Ride sites operational, by summer 2014.'

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 LGID 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 Financial Pressures

Reduction in Revenue Budgets

"The requirement to reduce revenue budgets by approximately 28% and a 45% reduction in capital funding over the next 4 years presents a challenging financial scenario for the council to manage. Whilst long term financial planning provides a key control, critical to the organisation being able to manage this risk effectively lies in identifying and achieving the savings identified in service reviews and delivered through the Business Change & Performance (BCP) efficiency program."

6. There remains 14 High key corporate risks as reported to A&G in September 2011:

Ageing Population – KCR 0018

- Increasing social care support costs (Graham Terry);
- Understanding & responding to the demands of an ageing population (Graham Terry).

Fairness & Inclusion – KCR 0015

- Vulnerable people are unable to access our services including employment opportunities (Pauline Stuchfield);
- Councillor's vision and expectations of a fair inclusive and customer-focussed organisation will not be realised (Sally Burns);
- We do not provide fair and inclusive customer-focused services (Sally Burns);
- Vulnerable staff are bullied, harassed and feel excluded (Sally Burns).

Financial Pressures – KCR 0022

- Savings identified beyond 2011/12 are not achieved (Keith Best);
- Reduced levels of economic development due to less investment in national & regional transport infrastructure (Richard Wood).

Waste Management Strategy – KCR 0003

- Delays to the project (Bill Woolley);
- Failure to secure planning consent on any of the selected sites (Bill Woolley).

Emergency Planning – KCR 0010

- Inability to respond to and assist in the recovery of city of York following a major incident (Richard Wood);
- Inability to continue to deliver services following a business disruption event (Richard Wood).

Capital Programme – KCR 0016

- Administration & Accommodation Review – Developers unable to meet the requirements of the development brief (Ian Asher);
 - Administration & Accommodation Review – Failure to discharge planning conditions (Ian Asher).
7. The appropriate risk owner from the relevant directorate can provide more detailed information, if it is required, in relation to any of the above risks.

Directorate Risks

8. The risks in respect of CS and CAN's are attached to this report at Annex A and B respectively. Officers from both directorates are in attendance to answer any queries you have in respect of the risks contained within these annexes.

Directorate High & Critical Risks

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

Options

10. Not applicable.

Corporate Strategy

11. The effective consideration and management of risk within all of the council's business processes will contribute to achieving and delivering the council plan and support the successful delivery of each of the five priorities.

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

- 12. 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

- 13. A&G are asked to:
 - a. Consider the key corporate risks set out at paragraph 5 and 6 respectively;

Reason
To provide assurance that risks to the council are continuously reviewed and updated
 - b. Consider the directorate risks for CS & CAN's set out at Annex A and B respectively;

Reason
To provide assurance that risks to the council are continuously reviewed and managed at directorate level.

Contact Details

Author:

David Walker
Head of Financial
Procedures
Phone No. 01904 552261

**Chief Officer Responsible for the
report:**

Keith Best
Assistant Director of Financial Services
Customer and Business Support
Services

**Report
Approved**

Date

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

AI
I

For further information please contact the author of the report

Background Papers

Key Corporate Risk Monitor Two 2011/12.

Annexes

- Annex A – CS Risks
- Annex B –CAN's Risks