

**Colchester Borough Council – Corporate Strategic Risk Register
January 2016 – March 2016**

| 1. AMBITION | | | | | | | | |
|----------------|---|---------|---|----|----------|---|---|--|
| Specific Risks | | SCORE | | | | | | Consequence |
| | | Current | | | Previous | | | |
| | | P | I | O | P | I | O | |
| 1a | In a period of public sector resource reductions the ability to have ambition and to deliver on that ambition. | 3 | 2 | 6 | | | | Major changes needed to the town would not be delivered thus affecting the quality of life of its residents and businesses. |
| 1b | Unrealistic internal and external expectations on the speed of delivery. | 3 | 3 | 9 | | | | Major downturn in public sector resourcing over the next few years will hamper the speed of delivery across the services provided. |
| 1c | The Council is unable to effectively influence changes in the Borough economy. | 3 | 4 | 12 | | | | Poorer external assessments by independent agencies and loss of Council reputation. |
| 1d | Over reliance on a limited number of people limits ability to deliver our ambition. | 3 | 3 | 9 | | | | The Borough Council loses its status and influencing ability at sub-regional, regional and national levels. |
| 1f | The organisation and administration fails to fully embrace the culture required to develop a commercial ethos including the appetite for taking appropriate risk for the opportunity presented. | 3 | 3 | 9 | | | | |

| ACTION PLAN – AMBITION | | |
|---|---------------------------|------------|
| Action | Owner | Review |
| Implement a regular reporting mechanism to SMT that includes defined performance criteria. | Executive Director | March 2016 |
| Produce an IT development strategy that supports the next stage of our transformation and outcomes. This should be reviewed and reported to PMB on a regular basis. | Assistant Chief Executive | March 2016 |
| Officers with more commercial skills have been appointed and others can learn from their experiences together with a set of commercial skills training being implemented across the organisation to re-skill officers for the new ways of working. The Trading Board and the Cabinet need to continue to enhance their commercial understanding in order to take the opportunities offered by a more commercial approach. | Strategic Director | March 2016 |

| 2. CUSTOMERS | | | | | | | | |
|----------------|--|---------|---|----|----------|---|---|--|
| Specific Risks | | SCORE | | | | | | Consequence |
| | | Current | | | Previous | | | |
| | | P | I | O | P | I | O | |
| 2a | The increasing expectations of our customers, set alongside the financial constraints will create challenges to service delivery, our channel shift ambitions and the reputation of the authority. | 4 | 3 | 12 | | | | The Authority fails to deliver the standards of service and delivery which our customers expect, especially in relation to self service and the reliance on IT capabilities. |
| 2b | The expectation remains that the Council will step in to deliver services when other providers either fail or reduce service provision | 3 | 3 | 9 | | | | The Council suffers from a loss of reputation as customers' expectations are not met. There is increased demand on existing services leading to a reduction in standards of delivery |
| 2c | Impact of Welfare Reform will pose challenges to our resources in responding to rising customer need. | 2 | 4 | 8 | | | | The Council fails to support our most vulnerable residents leading to an increase in crisis intervention. |

| ACTION PLAN – CUSTOMERS | | |
|--|--------------------|------------|
| Action | Owner | Timing |
| An engagement and consultation programme is put in place, to ensure customers are able to inform service priorities and delivery and to secure the capability amongst our customers to drive our channel shift program. This will be evidenced by reporting the pattern of usage of the routes used by customers and savings achieved. | Executive Director | March 2016 |
| The UCC environment, creating a single point of contact for our customers, is now in place and a performance framework for customer standards is being developed and will be monitored to ensure delivery. A full lessons learned exercise will be conducted. | Executive Director | March 2016 |

| 3. PEOPLE | | | | | | | | |
|----------------|--|---------|---|----|----------|---|---|---|
| Specific Risks | | SCORE | | | | | | Consequence |
| | | Current | | | Previous | | | |
| | | P | I | O | P | I | O | |
| 3a | Unable to compete with the private sector in the recruitment (and retention) of staff with key marketable skills | 4 | 3 | 12 | | | | Decline in service performance Disengaged and demotivated staff Efficiency and productivity reduction |
| 3d | Staff motivation declines with an impact on service delivery, our capacity to make changes and implementation of budget efficiencies | 3 | 4 | 12 | | | | Inability to meet changing requirements and needs Customer perceptions decline as we deliver less Loss of key staff |

| ACTION PLAN – PEOPLE | | |
|--|---------------------------|------------|
| Action | Owner | Timing |
| Create an internal communications strategy for staff that specifies channels to be used and allows for staff to feed back. | Assistant Chief Executive | March 2016 |
| Review and update the people strategy and set a regular review process. | Assistant Chief Executive | March 2016 |
| Implement a formal training strategy that includes financial considerations and business behaviours, and explores training alternatives. | Assistant Chief Executive | March 2016 |

4. HORIZON SCANNING

| Specific Risks | SCORE | | | | | | Consequence | |
|----------------|---|---|---|----------|---|---|-------------|---|
| | Current | | | Previous | | | | |
| | P | I | O | P | I | O | | |
| 4a | To continuously assess future challenges to ensure Council is fit for future purpose | 2 | 4 | 8 | | | | If not properly managed then either the Council will lose the opportunity to develop further or will have enforced changes to service delivery. Adverse impact on local residents / resources. Missed opportunities to boost local economy. Conflict between Council / Government agendas. Reduction in levels of service provision and potential withdrawal of services. |
| 4b | Not taking or creating opportunities to maximise the efficient delivery of services through shared provision, partnerships or commercial delivery | 4 | 3 | 12 | | | | |
| 4c | Failure by the Council to spot / influence at an early stage the direction of Central Government policies / new legislation. | 3 | 3 | 9 | | | | |
| 4d | Potential impact of future central government decisions to reduce public funding, including that of our partners | 5 | 4 | 20 | | | | |

ACTION PLAN – HORIZON SCANNING

| Action | Owner | Timing |
|--|---------------------------|--------------|
| Ensure organisational readiness to respond to external challenges through the organisational goals: - Customer - Business - Culture | Executive Director | March 2016 |
| Review and report the Medium term Financial strategy | Chief Operating Officer | March 2016 |
| Review and report the Organisational Development Strategy | Assistant Chief Executive | March 2016 |
| The budget situation is under constant review, including the impact of decisions from central government. Additional actions and areas for spending reviews are being identified. Consider impact of loss or reduction in key income areas as part of budget strategy / budget plans. | Chief Operating Officer | January 2016 |
| Ensure that there are regular reports to the Trading Board providing updates on delivery options including assessing the future potential for the Council to deliver commercial income. | Strategic Director | March 2016 |

| 5. PARTNERSHIPS | | | | | | | | | | |
|-----------------|---|---------|---|----|----------|---|---|-------------|--|---|
| Specific Risks | | SCORE | | | | | | Consequence | | |
| | | Current | | | Previous | | | | | |
| | | P | I | O | P | I | O | | | |
| 5a | Failure or inappropriate performance management of one or more strategic partnerships or key contracts E.g. Haven Gateway, LEP, Health, CAPITA, CBH | 4 | 4 | 16 | | | | | | <p>The cost of service delivery is increased however quality decreases.</p> <p>Failure to deliver key priorities.</p> <p>Reputational and financial loss by the Authority.</p> <p>Failure to deliver expected outcomes through partnerships</p> |
| 5b | Change of direction / policy within key partner organisations and they revise input / withdraw from projects. | 4 | 3 | 12 | | | | | | <p>Requirement to repay external funding granted to partnership – taking on the liabilities of the ‘withdrawn’ partner.</p> <p>External assessment of the Councils partnerships are critical and score poorly.</p> |
| 5c | Potential inability to agree shared outcomes/ agendas with partners and the Council's ability to influence partner's performance. | 3 | 4 | 12 | | | | | | |

| ACTION PLAN – PARTNERSHIPS | | |
|---|--------------------|------------|
| Action | Owner | Timing |
| Set an assessment process for proposed strategic partnerships (to ensure that they will satisfy the Council's objectives) that needs to be signed off by EMT before commitment to new partnerships is made. | Executive Director | March 2016 |
| Set a formal relationship / performance review process to be used by all partnerships and ensure results are reported to senior management... | Executive Director | March 2016 |

6. ASSETS & RESOURCES

| Specific Risks | | SCORE | | | | | | Consequence |
|----------------|--|---------|---|----|----------|---|----|---|
| | | Current | | | Previous | | | |
| | | P | I | O | P | I | O | |
| 6a | Failure to protect public funds and resources – ineffective probity / monitoring systems | 3 | 4 | 12 | | | | Service delivery failure Financial and reputational loss by the Authority |
| 6b | Risk that Asset Management is not fully linked to strategic priorities and not supported by appropriate resources | 3 | 4 | 12 | | | | Personal liability of Officers and Members. Legal actions against the Council |
| 6c | Inability to deliver the budget strategy as planned. | 3 | 4 | 12 | 4 | 4 | 16 | Loss of stakeholder confidence in the Borough Inability to sustain costs |
| 6d | Failure to set aside sufficient capital funds for strategic priorities | 3 | 4 | 12 | | | | Failure to deliver a balanced budget as planned. A need to use balances / reserves or to adapt financial plans to deal with impact of changes. |
| 6e | Significant reliance on our ICT presents challenges in maintaining customer service in the event of service interruptions. | 2 | 5 | 10 | | | | Required to use Reserves & Resources to fund capital priorities Severe impact on cash-flow leading to negative effect on performance targets |
| 6f | Increasing demands around information security create a risk in the event that security breaches occur | 2 | 5 | 10 | | | | |

| ACTION PLAN – ASSETS & RESOURCES | | |
|--|-------------------------|---|
| Action | Owner | Timing |
| Develop a formal process to manage the assurance systems that form the internal control environment, including Internal Audit, Risk Management, Budget process, Corporate Governance and performance management. This must be reported to senior officers and members on a regular basis to ensure that it is fully embedded | Chief Operating Officer | There is cycle of reviewing and reporting including internal Audit, Risk management and the AGS Review March 2016 |
| Review the budget monitoring process to reflect the new structure and co-ordinates finances across the whole Council not just individual service areas | Chief Operating Officer | Regular reporting to PMB. & Governance Review March 2016 |
| Develop the annual budget strategy to ensure it has controls built in to be able to respond to changes in the strategic objectives and includes sensitivity analysis to consider the impact of potential changes to external funding or other incomes streams. | Chief Operating Officer | Annual exercise. Council approves budget in Feb annually |
| Implement a regular review process for the medium term financial outlook, capital programme and HRA business plan processes to ensure they are kept up to date and realistic. | Chief Operating Officer | MTFS is part of the budget strategy & considered during the process. Capital programme reported to FASP quarterly Review March 2016 |
| Review the IT security policies to ensure that they are fit for purpose and implement a training program for all staff. Changes to be planned to ensure customer service is maintained | Chief Operating Officer | Next review March 2016 |
| Ensure the continued development of the Revolving Investment Fund (RIF) - a sub-committee of Cabinet which has been created to link asset management to the strategic priorities and ensure that assets are used to their full commercial potential. | Strategic Director | March 2016 |

| SCORE DEFINITIONS | 1 Very Low | 2 Low | 3 Medium | 4 High | 5 Very High |
|--------------------------|---|---|---|--|---|
| Impact | Insignificant effect on delivery of services or achievement of Strategic Vision & Corporate Objectives. | Minor interruption to service delivery or minimal effect on Corporate Objectives. | Moderate interruption to overall service delivery/effect on Corporate Objectives or failure of an individual service. | Major interruption to overall service delivery or severe effect on Corporate Objectives. | Inability to provide services or failure to meet Corporate Objectives |
| Probability | 10% May happen – unlikely | 10 -25% Possible | 26 – 50% Could easily happen | 51 – 75% Very likely to happen | Over 75% Consider as certain |

Risks Removed

1e The resource implications, including ICT, staffing and financial, of the UCC FSR are greater than anticipated. Removed July 15.

3b Failure to sustain adequate resource to support training and development because of the financial situation. Removed July 15.

3d Failure to provide effective and visible political and managerial leadership. Removed July 15