

**Strategic Risk Register Report**

**REPORT TO AUDIT AND STANDARDS COMMITTEE**



DATE	13/01/2016
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**PURPOSE**

1. To provide the Audit and Standards Committee the current Strategic Risk Register

**RECOMMENDATION**

2. To recommend the Strategic Risk Register to the Executive

**REASONS FOR RECOMMENDATION**

3. The Audit and Standards Committee has the Council's Risk Management as part of its terms of reference.

**SUMMARY OF KEY POINTS**

4. The format of the Strategic Risk Register has not altered. There have been changes in the senior management structure which have been reflected in changed lead responsibilities. The risk register is presented in Appendix A.
5. The revision of the Strategic Plan will mean that the Strategic Actions will be altered in line with the revised Strategic Plan.

**FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

6. None

**POLICY IMPLICATIONS**

7. None

**DETAILS OF CONSULTATION**

8. Risk Management Group

<b>BACKGROUND PAPERS</b>
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9. None

<b>FURTHER INFORMATION</b>
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## **Burnley Borough Council**

# **Strategic Risk Register**

06 January 2016

# Strategic Risk Register Summary

Risk Ref	Risk Description	Risk Score
1	Financial stability	15
8	Inability to influence key decision makers	12
6	Inability to deliver the regeneration programme	9
2	Unsuccessful delivery of new service delivery models	9
10	Workforce, skills and capacity challenges	8
9	Changes in demographics and increased deprivation	8
7	Inability to drive improvements through information technology	8
5	Changes in national policy/legislation	8
4	Changes in the political landscape	8
3	Damage to the Council's reputation	6

# Risk Prioritization Matrix

Likelihood	5							Red - High
	4			<b>9, 10</b>				
	3				<b>2, 6</b>	<b>8</b>	<b>1</b>	Amber - Medium
	2				<b>3</b>	<b>4, 5, 7</b>		
	1							Green - Low
	0							Insignificant
		0	1	2	3	4	5	
Impact								

Likelihood	Impact	Risk Priorities
0 Almost impossible	0 Minimal	Red = High Priority Risk Urgent Action to reduce or mitigate risk
1 Very unlikely	1 Minor	
2 Unlikely	2 Significant	Amber = Medium Priority Risk Action and Monitoring of risk
3 Likely	3 Serious	
4 Very likely	4 Major	Green = Low Priority Risk Keep Reviewed reduce if possible
5 Virtually certain	5 Catastrophic	

Risk Ref 1 Financial stability

Trigger or Cause

Further funding cuts  
 Income loss  
 Insufficient financial controls  
 Decision making  
 External cost pressures  
 Political growth  
 Understanding the problem  
 Claims against the Council

Possible Consequences of Risk

Organisational sustainability  
 Reduced service delivery  
 Reduced customer satisfaction  
 Reduced reserves  
 Overspends  
 Damaged credit rating  
 Damage to reputation  
 Workforce morale/planning/retention  
 Reduced reputation for financial management

Strategic Link: Cross Cutting

**Residual Risk Assessment**      IMPACT **5**      LIKELIHOOD **3**      SCORE **15**      Medium Priority Risk

Strategic Plan Actions

- PF1b - Maintain an up to date Medium Term Financial Strategy to ensure that future reductions in funding levels are anticipated and factored into budget setting.
- PF1c - Review the overall structure of the workforce to secure further efficiencies and align to the Council's new business model.
- PF1d - Re-align the Council's Organisational Development strategies to fit the Council's new business model
- PF1e - Implement the Council's IT strategy and Customer Access and Service Strategy.
- PF1f - Review of the Council's governance and regulatory framework to align it with the Council's new business model.
- PF1g - Review the democracy functions of the Council.
- PF1h - Monitor impact of key changes to Council Tax Benefit and Housing Benefit to ensure a continuing good quality service for Burnley residents.
- PF1i - Implement the Rethinking Parks Programme.
- PL1a - Maintain a high standard of Street Cleansing, Refuse Collection and Recycling service. including the implementation for a smooth contract start in June 2015.
- PF1a - Procure a strategic partner to deliver a range of services within a reduced cost base.
- PR3h - Start work on a disposal programme that over a three year period should both deliver much needed higher value housing in the Borough and contribute receipts to the Council's budget. Including disposal of clearance sites to the private sector.

Lead Responsibility Director of Resources

Risk Ref 8 Inability to influence key decision makers

Trigger or Cause

Change of political control  
 Breakdown of key relationships  
 Change of staff/key relationships  
 Reputation for delivery

Possible Consequences of Risk

Loss of external funding opportunities  
 Reduced level of influence over key decision makers

Strategic Link: People Performance

**Residual Risk Assessment**      IMPACT **4**      LIKELIHOOD **3**      SCORE **12**      Medium Priority Risk

Strategic Plan Actions

- PE1a - Work with partners to ensure the delivery of the Borough's Community Strategy.
- PE1b - Ensure the Council plays a major role in Pennine Lancashire Leaders and Chief Executives group (PLLACE), and in the Lancashire Leaders Group, in developing proposals for a Combined Authority and joint delivery proposals.
- PE1d - Work with educational partners in the Borough and the Education Trust to improve educational attainment.
- PR1a - Contribute to the strategic direction of the Lancashire Local Enterprise Partnership, playing a full part in developing and implementing the Local Growth Deal 1, securing resources from Growth Deal 2 and positioning projects for funding support.
- PR3b - Work with Lancashire County Council to ensure public realm priorities are shared and delivered, including improvements to the pedestrianised area of Burnley town centre.
- PR3c - Progress the Weavers' Triangle regeneration programme in partnership with Barnfield Investment Properties, St. Modwen's and the Canal and Rivers Trust
- PR3g - Develop and deliver the Local Plan. This will act as the key supporting framework for encouraging employment and housing investment.

Lead Responsibility Chief Executive Officer

**Risk Ref 6 Inability to deliver the regeneration programme**

Trigger or Cause

Economic downturn  
Lending squeeze  
Procurement failure  
Regeneration funding priorities change

Possible Consequences of Risk

Inability of private sector partners to deliver  
Delivery partner does not have the capacity to delivery  
Can't deliver the regeneration programme  
Damaged reputation

Strategic Link: Prosperity People

**Residual Risk Assessment**

IMPACT

**3**

LIKELIHOOD

**3**

SCORE

**9**

**Medium Priority Risk**

Strategic Plan Actions

- PE1b - Ensure the Council plays a major role in Pennine Lancashire Leaders and Chief Executives group (PLLACE), and in the Lancashire Leaders Group, in developing proposals for a Combined Authority and joint delivery proposals.
- PR1a - Contribute to the strategic direction of the Lancashire Local Enterprise Partnership, playing a full part in developing and implementing the Local Growth Deal 1, securing resources from Growth Deal 2 and positioning projects for funding support.
- PR1b - Pro-actively work with national and regional property agents to attract new business and investment into Burnley.
- PR1c - Proactively support the Borough's key growth businesses and deliver the council's Business Growth Programme.
- PR4b - Support the development of Innovation Drive business park.
- PR2c - Deliver a significant Leisure Scheme on the Curzon Street site in partnership with private developer.
- PR3a - Facilitate redevelopment of key priority neighbourhoods across the Borough
- PR3b - Work with Lancashire County Council to ensure public realm priorities are shared and delivered, including improvements to the pedestrianised area of Burnley town centre..
- PR3c - Progress the Weavers' Triangle regeneration programme in partnership with Barnfield Investment Properties, St. Modwen's and the Canal and Rivers Trust
- PR4b - Secure further occupiers for the Innovation Drive business park.
- PR3d - Ensure that the new Burnley – Manchester Rail services commences in May 2015.
- PR3e - Work with LCC to implement Local Growth Deal funded transport improvements.
- PR4a - Support the development of the Princess Way Knowledge Park, developing advanced manufacturing and engineering incubation and growth on space linked to facilities at Burnley Campus

Lead Responsibility Chief Executive Officer



Risk Ref 2 Unsuccessful delivery of new service delivery models

Trigger or Cause

Procurement method  
 Supply chain failure  
 Commissioning 'v' traditional culture  
 Control transfer  
 Poor implementation  
 Compliance/legal  
 Business continuity  
 Transformation Cultural Change not achieved

Possible Consequences of Risk

Reduced service delivery  
 Reduced customer satisfaction  
 Political reputation/embarrassment  
 Perceived council failure  
 Co-ordination of existing providers and systems  
 Toxic relationships  
 Increased costs

Strategic Link: People Performance

Residual Risk Assessment

IMPACT

3

LIKELIHOOD

3

SCORE

9

Medium Priority Risk

Strategic Plan Actions

- PE3b - Continue to develop the leisure and cultural offer of Burnley in partnership with Burnley Leisure including the development and operation of the Prairie Sports Complex.
- PR2b - Complete ongoing review of Burnley Markets.
- PF1a - Procure a strategic partner to deliver a range of services within a reduced cost base.
- PF1c - Review the overall structure of the workforce to secure further efficiencies and align to the Council's new business model.
- PF1e - Implement the Council's IT strategy and Customer Access and Service Strategy.
- PF1f - Review of the Council's governance and regulatory framework to align it with the Council's new business model.
- PF1g - Review the democracy functions of the Council.
- PF1i - Implement the Rethinking Parks Programme.

Lead Responsibility Director of Community Services

Risk Ref 10 Workforce, skills and capacity challenges

Trigger or Cause

Loss of the workforce  
 Loss of organisational memory  
 Loss of organisational skills  
 Lack of commitment to organisational development  
 Lack of investment in training  
 Political direction

Possible Consequences of Risk

Service failure/deterioration  
 Damaged reputation  
 Increased complaints  
 Low morale  
 Recruitment and retention issues  
 Increased workflow  
 Business resilience  
 Not having the right staff with the right skills

Strategic Link: Performance

**Residual Risk Assessment**      IMPACT **2**      LIKELIHOOD **4**      SCORE **8**      **Medium Priority Risk**

Strategic Plan Actions

- PF1d - Re-align the Council's Organisational Development strategies to fit the Council's new business model
- PF1e - Implement the Council's IT strategy and Customer Access and Service Strategy.
- PF1c - Review the overall structure of the workforce to secure further efficiencies and align to the Council's new business model.
- PF1i - Implement the Rethinking Parks Programme.

Lead Responsibility Director of Resources

**Risk Ref 9 Changes in demographics and increased deprivation**

Trigger or Cause

Government policy  
 Economic downturn  
 Big ticket issues – crime, health, housing  
 Benefit dependency  
 Short term fixes  
 Negative reputation  
 Failure to develop opportunities

Possible Consequences of Risk

Not delivering on the regeneration programme  
 Poor service delivery  
 Poor customer satisfaction  
 Low aspirations  
 Damage to reputation  
 Failure to improve  
 Increased demand  
 Increased costs  
 Less funding  
 Viability of Burnley

Strategic Link: Cross Cutting

**Residual Risk Assessment**

IMPACT

**2**

LIKELIHOOD

**4**

SCORE

**8**

**Medium Priority Risk**

Strategic Plan Actions

- PL3a - Improve energy efficiency, reduce fuel poverty and help tackle climate change.
- PE1d - Work with educational partners in the Borough and the Education Trust to improve educational attainment.
- PE2a - Proactively work with residents vulnerable to losing their home through preventative strategies
- PE2b - Ensure quality housing and services are available to vulnerable, elderly and disabled residents, aiming to assist independent living in decent housing across all sectors.
- PE3a - Improve the health and well-being of residents, and work in partnership with the East Lancashire Clinical Commissioning Group and the Lancashire Health and Well-being Board.
- PE3b - Continue to develop the leisure and cultural offer of Burnley in partnership with Burnley Leisure including the development and operation of the Prairie Sports Complex.
- PF1h - Monitor impact of key changes to Council Tax Benefit and Housing Benefit to ensure a continuing good quality service for Burnley residents.
- PR1b - Pro-actively work with national and regional property agents to attract new business and investment into Burnley.
- PR1c - Proactively support the Borough's key growth businesses and deliver the council's Business Growth Programme.
- PL2b - Improve condition and management systems across the private rented sector, including the use of selective landlord licensing in designated areas.
- PR2a - Deliver a quality Town Centre Management service in both Burnley and Padiham
- PR3a - Facilitate redevelopment of key priority neighbourhoods across the Borough
- PR3g - Develop and deliver the Local Plan. This will act as the key supporting framework for encouraging employment and housing investment.

Lead Responsibility Director of Community Services

Risk Ref 7 Inability to drive improvements through information technology

Trigger or Cause

IT partnership failure (to deliver past procurement)  
 IT partnership procurement failure  
 Current IT provision failure

Possible Consequences of Risk

Inability to delivery and develop services and not deliver anticipated savings and service improvement

Strategic Link: Performance People

**Residual Risk Assessment**

IMPACT

**4**

LIKELIHOOD

**2**

SCORE

**8**

**Medium Priority Risk**

Strategic Plan Actions

- PE1a - Work with partners to ensure the delivery of the Borough's Community Strategy.
- PF1d - Re-align the Council's Organisational Development strategies to fit the Council's new business model
- PF1e - Implement the Council's IT strategy and Customer Access and Service Strategy.

Lead Responsibility Director of Community Services

Risk Ref 5 Changes in national policy/legislation

Trigger or Cause

New functions/loss of existing functions  
 Short term thinking  
 Lack of capacity

Possible Consequences of Risk

Reduced control over what you do and how you do it  
 Inability to respond to the new agenda and continue with on-going functions  
 Exclusion from new or evolving regional and sub-regional governance and operating structure

Strategic Link: Performance People

Residual Risk Assessment      IMPACT **4**      LIKELIHOOD **2**      SCORE **8**      Medium Priority Risk

Strategic Plan Actions

PF1d - Re-align the Council's Organisational Development strategies to fit the Council's new business model

PF1f - Review of the Council's governance and regulatory framework to align it with the Council's new business model.

PF1g - Review the democracy functions of the Council.

PE1b - Ensure the Council plays a major role in Pennine Lancashire Leaders and Chief Executives group (PLLACE), and in the Lancashire Leaders Group, in developing proposals for a Combined Authority and joint delivery proposals.

PE1c - Communicate our work and policies, and engage residents and partners around the Council's strategies and initiatives.

Lead Responsibility Head of Governance, Law and Regulation

Risk Ref 4 Changes in the political landscape

Trigger or Cause

No overall control  
 Political instability  
 Poor member and officer relationships  
 Poor member and member relationships

Possible Consequences of Risk

Lack of strategic leadership  
 Poor decision making  
 Impact on the Council's reputation  
 Loss of influence with key partners

Strategic Link: People

Residual Risk Assessment      IMPACT **4**      LIKELIHOOD **2**      SCORE **8**      Medium Priority Risk

Strategic Plan Actions

PE1a - Work with partners to ensure the delivery of the Borough's Community Strategy.

PE1b - Ensure the Council plays a major role in Pennine Lancashire Leaders and Chief Executives group (PLLACE), and in the Lancashire Leaders Group, in developing proposals for a Combined Authority and joint delivery proposals.

Lead Responsibility Chief Executive Officer

Risk Ref 3      Damage to the Council's reputation

Trigger or Cause

Service failure  
 Loss of key staff  
 External events  
 Customer Satisfaction not maintained

Possible Consequences of Risk

Strategic plan delivery problem  
 Credibility of the leadership (both political and officer)  
 Low morale  
 Loss of key staff  
 Recruitment and retention issues

Strategic Link: Cross Cutting

Residual Risk Assessment      IMPACT **3**      LIKELIHOOD **2**      SCORE **6**      Low Priority Risk

Strategic Plan Actions

- PL1a - Maintain a high standard of Street Cleansing, Refuse Collection and Recycling service. including the implementation for a smooth contract start in June 2015.
- PE1a - Work with partners to ensure the delivery of the Borough's Community Strategy.
- PE1b - Ensure the Council plays a major role in Pennine Lancashire Leaders and Chief Executives group (PLLACE), and in the Lancashire Leaders Group, in developing proposals for a Combined Authority and joint delivery proposals.
- PE1c - Communicate our work and policies, and engage residents and partners around the Council's strategies and initiatives.
- PR3f - Work with 150 Burnley Bondholders to Implement the Borough's Branding Plan to reposition Burnley as a place to live and invest

Lead Responsibility Director of Community Services