

**REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 28<sup>TH</sup> JULY 2020**  
**AGENDA ITEM 10**

**PERFORMANCE AND RISK**

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Purpose of report:	To update members on work to develop appropriate arrangements for member oversight of strategic performance and risk.
Publication status:	Unrestricted
Recommendations:	That the Committee notes and comments on the proposed approach to strategic performance and risk management
Appendices:	A – framework for risk management
Background papers defined by the Local Government (Access to Information) Act 1985	None

**1. Background**

- 1.1 Strategy and Resources Committee, on 9<sup>th</sup> July, received a report of progress against Key Performance Indicators for the fourth quarter of 2019/20, together with the associated risk analysis. That meeting discussed the importance of ensuring that risk analysis considered by members is current and reflects all appropriate strategic risks.
- 1.2 The following related streams of work are currently underway:
- i) The development of a strategic plan for the Council (which appears elsewhere on this agenda);
  - ii) Actions to address the independent review of governance (which appears elsewhere on this agenda): this review highlights the need for members to focus on matters of strategic importance to the Council, and for the Council to focus more on the awareness, ownership and management of risk.

## **2. Proposed approach to member review of performance and risk**

### Performance

- 2.1 Following the adoption of the strategic plan, it is proposed to hold workshops for members of each Committee to identify the key strategic performance indicators for their Committee and the appropriate targets for each indicator. These will be measures of performance essential to the remit of that Committee and of concern to local residents (e.g. performance in relation to the determination of planning applications).
- 2.2 The workshop for Strategy and Resources Committee will additionally consider key corporate indicators which, at a strategic level, can be seen as indicators of the 'health' of the organisation (e.g. levels of complaints, staff sickness levels).
- 2.3 Once these indicators and targets are confirmed, reports will be submitted to each Committee, including, on an exception basis, information on actions being taken to address any indicators where performance is not on target.

### Risk

- 2.4 A new approach to risk identification, analysis and reporting to members is in development. In line with the recommendation of the independent review of governance that Strategy and Resources Committee focus on strategic, cross-cutting issues, the corporate risk register (showing those risks rated as 'red') will be brought to each meeting of this Committee for review. Senior officer-level review of the register will be scheduled to ensure that the most up-to-date information informs the version of the register which is seen by members.
- 2.5 The proposed format of the corporate risk register, with an illustrative example, appears at Appendix A.
- 2.6 All Committees will receive reports relating to relevant priority actions and outcomes in the strategic plan: risks relating to those actions and outcomes will be addressed in each report as appropriate.
- 2.7 The Overview & Scrutiny Committee (which will be considering new terms of reference on the 31st July) may wish to examine particular performance and/ or risk challenges, on an exception basis.

## **3 Financial / risk implications**

- 3.1 The resource requirement for the delivery the performance workshops will consist mainly of officer time. The cost of these workshops will therefore be contained within existing staff budgets.

## **4 Legal implications**

- 4.1 Effective use of risk identification supports the Council in managing threats and opportunities to achieve the aims and objectives within its strategic plan. A risk analysis will also support Members and Officers in decision making by setting out where the Council is comfortable taking different levels of risk, and which levels are unacceptable.

## 5. Equality impacts

5.1 Consideration of impacts under the Public Sector Equality Duty are as follows:

Questions	Answer
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	No
What steps can be taken to mitigate any potential negative impact referred to above?	Not applicable

5.2 The establishment of more robust processes for risk management and mitigation will support more thorough consideration of risks relating to equalities and diversity for the Council.

## 6. Data Protection impacts

Following the completion of a Data Protection Impact Assessment, consideration of potential data protection implications arising from this report are as follows:

Questions	Answer
Do the proposals within this report have the potential to contravene the Council's Privacy Notice?	No
Is so, what steps will be taken to mitigate the risks referred to above?	N/A

## 7. Conclusion

7.1 This report sets out plans to enable members to regularly review the strategic risks to the Council and its performance. Subject to the comments of the Committee and the outcomes of proposed workshops for each Committee, officers will proceed to develop the framework for reporting, and will bring the first cycle of performance reports to the September meetings, and the corporate risk register to the next meeting of this Committee.

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## Appendix A – framework for risk management

All risks are assessed according to the Likelihood (or probability) that the risk will occur: this ranges from 1 (Rare) to (Almost certain). We will also assess the Impact (or severity) on the Council that the risk would have if it were to occur: this ranges from 1 (Negligible) to 5 (Extreme). Multiplying both scores together establishes a risk rating and informs the way we manage it.

<b>Impact</b>	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
<b>Likelihood</b>						

Ref	Risk cause and event	Risk consequences	Risk owner	Likelihood	Impact	RAG	Mitigating actions and responsibility
C01	Inability of the Council to make savings as identified in the MTFs and to balance the budget in 2021/2 and 2022/3	<ul style="list-style-type: none"> <li>• Council reserves exhausted</li> <li>• s114 notice issued by Chief Financial Officer leading to freezing of all non-essential expenditure</li> <li>• Inability to deliver priority services for residents and support recovery from COVID-19</li> </ul>	Chief Financial Officer	4	5	20	<ul style="list-style-type: none"> <li>• Recruitment and overtime freeze can be put in place but will place pressure on already overstretched teams</li> <li>• Increased charging agreed for council owned assets</li> <li>• Reduce service standards</li> <li>• Explore opportunities to deliver services with other councils to reduce operating costs</li> </ul>
C02							