

18 March 2009

Dear Councillor

AUDIT COMMITTEE - THURSDAY, 19TH MARCH 2009

I am enclosing, for consideration at the above meeting of the Audit Committee, the following supplementary report and documents that were unavailable when the agenda was printed.

Agenda No Item

4. **Annual Audit and Inspection Letter for 2007/08 (Pages 27 - 42)**

To receive and consider the enclosed amended Annual Audit and Inspection Letter for 2007/08 from the Audit Commission.

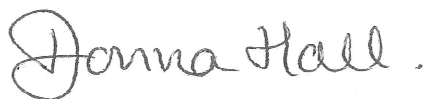
This copy of the Audit and Inspection Letter should be substituted for the document issued on 13 March 2009.

6. **Draft Strategic Risk Register, 2009/10 (Pages 43 - 48)**

To consider the enclosed report of the Head of Shared Assurance Services, with the attached Strategic Risk Register for 2009/10.

Copies of the A3 sized colour version of the Risk Register will be available at the meeting.

Yours sincerely



Donna Hall
Chief Executive

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Democratic and Member Services Officer
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Distribution

1. All Members of the Audit Committee (Councillor Anthony Gee (Chair), Councillor Laura Lennox (Vice-Chair) and Councillors Alan Cain, Mike Devaney, Keith Iddon and Geoffrey Russell) for attendance.

2. Donna Hall (Chief Executive), Gary Hall (Assistant Chief Executive (Business Transformation), Garry Barclay (Head of Shared Assurance Services), Andy Armstrong (Shared Financial Services Risk Manager), Clare Ware (Shared Financial Services Internal Audit Manager) and Tony Uren (Democratic and Member Services Officer) for attendance.
3. Tim Watkinson (Acting District Auditor, Audit Commission) and Tony Hough (Audit Manager, Audit Commission) for attendance.

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આ માહિતીનો અનુવાદ આપની પોતાની ભાષામાં કરી શકાય છે. આ સેવા સરળતાથી મેળવવા માટે કૃપા કરી, આ નંબર પર ફોન કરો: 01257 515822

ان معلومات کا ترجمہ آپ کی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون

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Annual Audit and Inspection Letter

Chorley Borough Council

Audit 2007/08

March 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
-

Key messages

Key messages

- A Comprehensive Performance Assessment (CPA) in June 2008 judged the Council to be excellent overall and performing well for achievement and improvement. Value for money continues to be strong and the Council has continued its good track record of improvement in terms of its published performance information.
- Recycling rates continue to increase and the quality of Chorley's services has been recognised by national awards and commendations for car parks, environmental quality and street cleansing.
- Access to services continues to improve. The Council has achieved Beacon status for Transforming Services through Citizen Engagement and Empowerment and for Better Outcomes for People and Places.
- The Council is making a positive contribution to wider community outcomes. Crime is below average and continuing to fall. The supply of affordable housing is steadily increasing. The Council is taking action to support local people through the economic downturn by providing support and advice to those out of work.
- Performance management effectively supports service improvement and capacity is good. The Council has low and falling levels of sickness absence.
- Reducing health inequalities represents a major challenge facing health and local government bodies together with their partners across Lancashire.
- The economic downturn will provide additional pressures for the Council in relation to its finances and the delivery of its stated priorities.

Action needed by the Council

- The Council should proactively manage its finances and other resources to deal with these pressures, particularly where costs and demands for services are increasing.
- The level of health inequalities across Lancashire remains a concern despite recent improvements to various organisational structures and partnership arrangements. The Council should ensure that it works closely with NHS trusts and other key partners across the borough in order to ensure that health initiatives are effectively co-ordinated and deliver outcomes.

Purpose, responsibilities and scope

- 1 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the most recent Comprehensive Performance Assessment (CPA), the findings and conclusions from the audit of the Council for 2007/08 and from any inspections undertaken since the last Annual Audit and Inspection Letter.
- 2 We have addressed this letter to members as it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. We have made recommendations to assist the Council in meeting its responsibilities.
- 3 This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at www.audit-commission.gov.uk. In addition the Council is planning to publish it on its website.
- 4 Your appointed auditor is responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, the auditor reviews and reports on:
 - the Council's accounts;
 - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
 - whether the Council's best value performance plan has been prepared and published in line with legislation and statutory guidance.
- 5 This letter includes the latest assessment on the Council's performance under the CPA framework, including our Direction of Travel report, and the results of any inspections carried out by the Audit Commission under section 10 of the Local Government Act 1999. It summarises the key issues arising from the CPA and any such inspections. Inspection reports are issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.
- 6 We have listed the reports issued to the Council relating to 2007/08 audit and inspection work at the end of this letter.

How is Chorley Borough Council performing?

How is Chorley Borough Council performing?

7 Chorley Borough Council was assessed as 'Excellent' in the Comprehensive Performance Assessment carried out in 2008. These assessments have been completed in all district councils and we are now updating these assessments, through an updated corporate assessment, in councils where there is evidence of change. The following chart is the latest position across all district councils.

Figure 1 Overall performance of district councils in CPA



Source: Audit Commission

Chorley Borough Council - Direction of Travel Report

What evidence is there of the Council improving outcomes?

- 8 The Council has continued to improve services and outcomes in areas that it has identified as priorities - Prosperity, Place, People and Performance - and the public say are important to their communities. A Comprehensive Performance Assessment (CPA) in June 2008 judged the Council to be excellent overall and performing well for achievement and improvement.
- 9 In 2007/08 41 out of 50 national, best value service performance indicators improved or maintained high performance; 9 indicators did not improve or deteriorated, none of which led to significantly worse outcomes. Overall, 61 per cent of nationally-comparable indicators improved for Chorley during 2007/08, against a district council average of 57 per cent to 59 per cent. The percentage of indicators where Chorley performed in the top quartile was significantly above the national average at 41 per cent.

- 10 Progress on Prosperity has been demonstrated by business growth. The Council has taken positive action to support local people in the current economic climate by establishing a Redundancy Taskforce, the Connect to Work initiative to help residents on incapacity benefit to obtain jobs and the Count on us Campaign to provide advice and information.
- 11 Good outcomes for Place include improved street cleanliness and further increases in the amounts of household waste recycled and composted - which, with less waste collected, is reducing the amount sent to landfill. In addition, crime rates fell by 26 per cent between 2005 and 2008 and are lower than average. The quality of services has been recognised by awards and commendations for car parks, environmental quality and street cleansing. Interim data from the 2008 Place Survey shows that only 34 per cent of residents now feel that rubbish or litter lying around is a problem, compared to 45 per cent in 2006.
- 12 The Council has taken action to increase affordable housing in the borough. In 2006/07 and 2007/08 26 and 28 units were respectively delivered compared with a target of 125 units by March 2008. Progress has been made in 2008/09 towards providing 61 units - above the Local Area Agreement (LAA) target of 50 units - with projects and initiatives in place for more units in subsequent years.
- 13 Focus on People is shown by having Beacon status for Better Outcomes for People and Places. The assessment found the Council to be 'exemplary on citizen engagement and empowerment with strong political and strategic leadership'. It has a focus on achieving better outcomes for local people and a good understanding of what this means in reality. Recent developments include ensuring that older people who contact the Council, for example, about concessionary travel are referred to other public services for advice and assistance and - from April 2009 - free swimming for under 16s and over 60 year olds.
- 14 Improvements relating to Performance are reflected by increases in satisfaction with the Council overall and with other services such as sports and leisure facilities. It has Beacon status for Transforming Services through Citizen Engagement and Empowerment and a strong reputation within local government.
- 15 The Council is making a positive contribution to wider community outcomes by, for example:
 - strengthening Chorley's economic position in the Central Lancashire sub-region through support to local businesses and improvements to the town's markets;
 - contributing to sustainability with energy measures to reduce its carbon footprint;
 - improving community safety through Weeks of Action, tackling anti-social behaviour and funding Police Community Support Officers that are contributing to further reductions in crime in line with the LAA target;
 - promoting health issues with actions to address alcohol misuse and reducing the number of teenage pregnancies; and
 - demonstrating community leadership and civic pride through the Chorley Smile campaign and the Building a Chorley Community Network.

How is Chorley Borough Council performing?

- 16** Both access and the quality of services for citizens continue to improve. The Council focuses on those who have been 'hard to reach' or previously excluded. It is strengthening neighbourhood management and projects such as Circle of Need are ensuring that integrated services are provided for local people with more emphasis on rural areas. An Equality Forum has been established to provide a voice for target groups to influence service delivery. Interim data from the 2008 Place Survey shows that some 82 per cent of residents agree that the local area is a place where people from different backgrounds get along.
- 17** The Families First project - run by both the Chorley and South Ribble Local Strategic Partnerships - is a multi-agency family intervention project that provides intensive, 'joined up' support to problem families in each borough. The Choose Chorley Employment Charter is designed to help companies to recruit local people particularly those living in disadvantaged communities. The Council supports the independence of older people and the safety and well-being of children and young people by schemes such as Get up and Go and the Active Generation project.
- 18** The Council performs strongly in achieving and managing value for money which, alongside the quality of services, continues to improve. Further efficiency gains in 2007/08 meant that the Council exceeded its target over the three-year period.

How much progress is being made to implement improvement plans to sustain future improvement?

- 19** The Council is implementing a range of plans to sustain future improvement. They are linked to the Sustainable Community Strategy 2007-2025 and are intended to promote the economic, social and environmental well-being of the community. A revised Corporate Strategy sets out the Council's strategic objectives, long term outcomes, measures and targets and key projects for each priority. In particular it includes projects to support Chorley residents and businesses and tackle the effects of the economic recession. Other plans include:
- providing seamless services for users at all access points such as a one stop housing advice centre and the Tell Us Once project;
 - increasing the provision of affordable housing in the borough;
 - a new waste management contract with more emphasis on customer service and pilot kitchen waste collections to divert such waste from landfill;
 - developing local solutions to climate change, for example, the One World Living project for local businesses and a Sustainable Resources Development Plan;
 - a range of projects with partners, such as environmental improvements in the more disadvantaged areas, supporting economic rural diversification and promoting awareness of mental health;
 - the Chorley Partnership's Community Cohesion Strategy; and
 - a Locality Plan with Lancashire County Council to further improve the co-ordination and impact of services within the borough.

- 20** Implementation of improvement planning is on track with most key objectives and milestones being achieved. The majority of key projects are ahead of or on schedule. The Council has allocated resources for projects which have stimulated private sector investment. Most of the short-term projects have been successfully completed with progress on longer-term projects.
- 21** Activities are being undertaken that are intended to achieve level 3 ('achieving') of the Equality Standard for Local Government in 2009 and better position the Council to assess progress against its People objectives.
- 22** Strong performance management arrangements ensure that action is taken to address services that are not meeting targets, including those delivered by partners. In the last year, for example, the Council re-assumed direct responsibility for the Homelessness function, resulting in service improvements, shorter stays in hostel accommodation and the almost elimination of bed and breakfast accommodation.
- 23** The Council has the capacity to deliver its plans with strong leadership by councillors and officers. A Workforce Development Plan sets out how the Council intends to recruit, develop and retain the staff that it needs. Training and development programmes help to sustain capacity. An e-learning package, for example, has been introduced to ensure that councillors and officers fully understand the importance of equality and diversity and its implications. The Council has an established culture that focuses on customers.
- 24** A robust approach has reduced sickness absences to an average of 7.8 days per employee which is amongst the best 25 per cent of councils. Work to improve the health and well-being of employees and human resource policies have been recognised by national awards.
- 25** The Overview and Scrutiny function has been strengthened. Task and finish groups identify opportunities to enhance service quality and governance arrangements in relation to, for example, Streetscene and Chorley Community Housing.
- 26** Capacity is enhanced through a range of effective partnerships, particularly through the Chorley Partnership where the Children and Young People's thematic group is now the Chorley Local Children's Trust. Joint working on community safety (supported by mainstream funding), with vulnerable families and on strategic housing are all having an impact. Shared financial services between Chorley and South Ribble Councils are being implemented and are intended to increase value for money and offer a high quality service to both councils.
- 27** External funding continues to support the achievement of priorities. An Enterprise Facilitator acts as an outreach worker in deprived communities to encourage business start-ups. A Sports and Physical Activity Alliance has enabled the Council to access funding of £170,000 for projects to increase participation in regular activity in the borough.
- 28** The Council is well placed to address the challenges that all councils face arising from the economic downturn. However, it will need to work carefully through the consequences of a number of financial pressures, including the cost of concessionary fares, the lack of receipt of subsidy on benefits and the 'at risk' investments in Icelandic banks.

How is Chorley Borough Council performing?

Tackling health inequalities in Lancashire

- 29** Over the past year we concluded a wide-ranging review of arrangements focusing on how partners work collaboratively to reduce health inequalities (HI) across Lancashire. Average life expectancies across the county are similar to those for England and Wales where the gap between the most affluent and most deprived areas is 6.8 years but parts of Lancashire show much greater variation.
- 30** Joint working is often challenging and health and local government bodies begin with different, sometimes competing, priorities. In addition, the need to develop healthier communities is closely linked to other priorities such as safer and stronger communities, sustainability and regeneration.
- 31** Our review found that despite progress in recent years, the county as a whole is not projected to achieve its Public Service Agreement (PSA) target to reduce HI, as measured by infant mortality and life expectancy at birth. Partner organisations in Lancashire have a clear commitment to tackling HI and the development of plans for 2008/09 and beyond is encouraging. However, some organisations and partnerships still lack coherent longer term strategies. These weaknesses are hampering effective partnership working and performance management. Scrutiny is inconsistently applied to health issues across the bodies we reviewed in Lancashire.
- 32** Directors of Public Health (DPH) across Lancashire are not making full use of their key strategic position and engagement with local health service providers has been limited. Community groups and service users are not consistently involved in the development of HI strategies.
- 33** We have recently received a joint response from all the organisations involved in the review which refers to the significant progress made since our field work was undertaken. However performance data shows that inequalities in health remain a challenge in several areas across Lancashire. We will continue to monitor progress against this key priority for the county.

The audit of the accounts and value for money

34 We reported separately to the Audit Committee on the issues arising from our 2007/08 audit and in September 2008 issued:

- our Annual Governance Report (AGR);
- an unqualified opinion on your accounts and a conclusion on your value for money arrangements to say that these arrangements are adequate; and
- a report on the Best Value Performance Plan confirming that the Plan has been audited.

Use of Resources

35 The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.

- Financial reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
- Financial management (including how the financial management is integrated with strategy to support council priorities).
- Financial standing (including the strength of the Council's financial position).
- Internal control (including how effectively the Council maintains proper stewardship and control of its finances).
- Value for money (including an assessment of how well the Council balances the costs and quality of its services).

The audit of the accounts and value for money

36 For the purposes of the CPA your auditor has assessed the Council’s arrangements for use of resources in these five areas as follows.

Table 1

Element	Assessment 2007/08	Assessment 2006/07
Financial reporting	3 out of 4	3 out of 4
Financial management	3 out of 4	3 out of 4
Financial standing	3 out of 4	4 out of 4
Internal control	4 out of 4	3 out of 4
Value for money	4 out of 4	4 out of 4
Overall assessment of the Audit Commission	4 out of 4	4 out of 4

Note: 1 – lowest, 4 = highest

37 Table 1 shows that only the scores for Financial Standing and Internal Control varied from 2006/07. The reasons for these changes are as follows.

- **Financial Standing** was reduced in 2007/08 to level 3 because, whilst the Council continues to manage its spending well, no new and additional notable practice was identified, as required to maintain a level 4 marking.
- **Internal Control** was increased to level 4 because we noted there had been further significant improvements in internal control and probity arrangements together with associated notable practice.

The key issues arising from the audit

38 The key findings and issues arising from the audit, as reflected in the above judgements where appropriate, are as follows.

- The Council continues to perform strongly in terms of promoting external accountability and identified further examples of notable practice. These show how Chorley has built on its previous good practice for interacting with its citizens and stakeholders and outline the variety of ways that it promotes external accountability.
- The arrangements for the preparation of the accounts improved in 2007/08 and the accounts were supported by comprehensive working papers from the start of the audit. However, the accounts submitted for audit included two material misstatements together with a small number of other errors.

- The Council has strengthened its arrangements for asset management and its updated three-year capital programme links explicitly to the Council's priorities for affordable housing, the town centre and sustainability and investment in its infrastructure. Its revised Asset Management Strategy and Plan 2008-2010, reflects the new partnership arrangements with Liberata and sets out the vision, aims and actions for corporate property.
- The Council consistently maintains its spending within its overall budget and without significant unexpected overspends or under-spends. It sets challenging targets for a comprehensive set of financial health indicators, monitors performance and has a good track record of achieving these targets.
- Our 2008 review confirmed that the risk management arrangements continue to represent best practice. This year the Council developed a Framework for Partnership Working which set out corporate standards for partnership governance, including performance management and risk management.
- The Council continues to strengthen its processes to manage and improve value for money and demonstrate notable practices. The Council continues to achieve good value for money. Costs, although comparatively higher than other councils, are overall commensurate with service delivery, performance and the outcomes achieved.

39 There has been a marked economic downturn since we issued our AGR in September 2008. Chorley, in common with other councils, is facing stern ongoing financial challenges from such factors as falling income streams and increases in the demand for some of its services as the recession continues to bite. However, revenue monitoring reports continue to predict that the Council will achieve its 2008/09 planned budget outturn.

Data Quality

- 40** During the year we also undertook a review of the Council's data quality arrangements. Our review of the Council's arrangements focuses on a review using key lines of enquiry (KLOE) to determine whether proper corporate management arrangements for data quality are in place, and whether these are being applied in practice. The findings contribute to the auditor's conclusion under the Code of Audit Practice on the Council's arrangements to secure value for money (the VFM conclusion).
- 41** We concluded that the Council's overall management arrangements for ensuring data quality had improved since our last review.
- 42** In particular, the Council's overall management arrangements for ensuring data quality are consistently above minimum requirements. It has strengthened its arrangements for all five review themes. Responsibilities for data quality are more clearly defined at member and officer level. A corporate framework is in place, reflected in the Data Quality Strategy and Policy which is subject to regular reviews and updates.

The audit of the accounts and value for money

- 43** Policies and procedures are in place to secure the quality of data and are reviewed, where appropriate with partners, to ensure that they are up-to-date. Checks by Internal Audit and our own checks confirm that procedures are routinely followed. Systems and processes to secure the quality of data continue to be enhanced. Opportunities for further development are being explored, including linking the systems from different departments for reporting corporate performance information. The Council seeks assurances from partners that data complies with a third party protocol but arrangements for validating such data are less well developed.
- 44** The Council continues to ensure that staff have the knowledge, competences and capacity for their roles in relation to data quality linked to personal development reviews and training. It continues to make excellent use of performance data in managing and improving the delivery of services and, in 2007/08, can demonstrate a range of improved outcomes and enhanced capacity through a significant reduction in sickness absence.
- 45** Our review and spot checks found that the Performance Indicators reviewed were fairly stated.

Looking ahead

- 46** The public service inspectorates have developed a new performance assessment framework, the Comprehensive Area Assessment (CAA). CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local tax payers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.
- 47** CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate area assessment and reporting performance on the new national indicator set, together with an organisational assessment which will combine the external auditor's assessment of value for money in the use of resources with a joint inspectorate assessment of service performance.
- 48** From 2008/09, the auditors' assessment of use of resources will be based on new key lines of enquiry and will form part of CAA. Key lines of enquiry for use of resources were published in May 2008 following consultation. These reflect the needs of CAA and incorporate a number of improvements including: a clearer focus on value for money achievements and further emphasis on commissioning of services, outcomes for local people and partnership working.
- 49** The assessment is structured into three themes:
- managing finances: sound and strategic financial management;
 - governing the business: strategic commissioning and good governance; and
 - managing resources: effective management of natural resources, assets and people.
- 50** We hosted a workshop on 16 January for all bodies subject to Use of Resources 2009 in Lancashire to promote the new methodology which representatives from Chorley attended. We will continue to work with the Council to ensure that the new methodology is applied effectively and efficiently.
- 51** The first results of our work on CAA will be published in the autumn of 2009. This will include the performance data from 2008/09, the first year of the new National Indicator Set and key aspects of each area's Local Area Agreement.

Closing remarks

Closing remarks

- 52** This letter has been discussed and agreed with the Assistant Chief Executive (Policy and Performance) and the Assistant Chief Executive (Business Transformation). A copy of the letter will be presented at the Audit Committee on 19 March 2009. Copies need to be provided to all Council members by 31 March 2009.
- 53** Further detailed findings, conclusions and recommendations on the areas covered by audit and inspection work are included in the reports issued to the Council during the year as shown in Table 2.

Table 2 Reports issued

Report	Date of issue
Audit and inspection plan	June 2007
Annual Governance report	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Health Inequalities report	October 2008
Use of Resources report	January 2009
Data Quality report	January 2009
Annual audit and inspection letter	March 2009

- 54** The Council has taken a positive and constructive approach to audit and inspection work, and we wish to thank the Council's staff for their support and cooperation during the audit.

Availability of this letter

- 55** This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk, and also on the Council's website.

Tom Keena (Comprehensive Area Assessment Lead)

Tim Watkinson (District Auditor)

March 2009

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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Report of	Meeting	Date
Head of Shared Assurance Services	Audit Committee	19/03/09

STRATEGIC RISK REGISTER 2009/10

PURPOSE OF REPORT

1. To present for members consideration the latest Strategic Risk Register (SRR) which has been revised following the annual review of the Corporate Strategy.
2. To describe the process undertaken to develop the document and provide context to explain the significance of the SRR within the Council's Risk Management Framework.

RECOMMENDATION(S)

3. That the report is noted and the SRR attached at Appendix 1 is approved and adopted.
4. That the Head of Shared Assurance Services be authorised to approve any minor changes and amendments required to the document.

EXECUTIVE SUMMARY OF REPORT

5. The Strategic Risk Register (SRR) is the most important element of the Council's Risk Management Framework and is the vehicle by which the Council aims to identify and address any potential risks to the achievement of its strategic objectives and goals. It complements the Corporate Strategy and assists in managing its ongoing delivery.
6. The latest SRR is appended to this report for members' information and its contents are explained in the paragraphs below. Members will note that the layout of the document has changed since it was last presented for approval and is now summarised over 2 pages in the same style as the Corporate Strategy overview.
7. The prime aim of this report is to provide assurance that the SRR remains fit for purpose and provides an effective tool for managing the key business risks faced by the Council.

REASONS FOR RECOMMENDATION(S)

8. The Audit Committee's terms of reference require it to oversee all aspects of governance including risk management. It is therefore the Audit Committee that provides the overview and scrutiny role in respect of the action taken to manage strategic risk by receiving regular update reports.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

9. No alternative options are appropriate to this item

CORPORATE PRIORITIES

10. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances		Develop the Character and feel of Chorley as a good place to live	
Involving people in their communities		Ensure Chorley Borough Council is a performing organization	✓

BACKGROUND - BUSINESS RISK MANAGEMENT

- 11. Business risk management describes the process for identifying and resolving any **threats** to the achievement of the Council's objectives. This includes dealing with any inherent **weaknesses** within the organisation.
- 12. There is also an 'upside' to risk management, in that it is equally important to understand what the Council's main **strengths** and **opportunities** are and that measures are in place to exploit them for the benefit of the local community.
- 13. Risk management is therefore a cornerstone of good corporate governance and the Council has established a system of risk management as an integral part of the Business Improvement Planning Process which involves the creation of **risk registers** at both the corporate and directorate levels.

STRATEGIC RISK REGISTER

- 14. When the Corporate Strategy is reviewed each year, the Council conducts an analysis of the strengths, weaknesses, opportunities and threats that it faces (SWOT) to ensure that appropriate action is planned to address any significant risk issues that are identified. This constitutes the strategic risk assessment and is carried out for each separate strategic objective in the Corporate Strategy
- 15. The risk issues emanating from the SWOT exercise are recorded in the Strategic Risk Register (SRR). The aim is to identify corrective actions to address all the significant risk issues identified and ensure that these are included in the relevant Directorate Business Improvement Plans (BIPs) for the year ahead.
- 16. Also known as the “Big Issues” process, the SWOT exercise requires a collective effort and involves chief officers and senior members to identify the key strategic risk issues facing the Council.
- 17. Actually compiling the SRR and identifying the corrective actions is also a joint exercise and has tended to involve the Assistant Chief Executive (BTI), the Head of Shared Assurance Services, Risk Manager and the Policy Adviser (Programmes & Projects).
- 18. This year we have sought to make the process even more inclusive by consulting with each Corporate Director to achieve a consensus on the strategic risks and to agree upon the detailed corrective actions which need to be included in individual BIPs.
- 19. The key projects in the Corporate Strategy are the prime means of addressing the main strategic risks (shown in red) or exploiting the main opportunities (shown in green). The SRR provides a vehicle for recording and monitoring the remaining detailed actions contained in individual BIP's.

20. We have also responded to suggestions to make the SRR more visible and user friendly by producing it in the same format as the Corporate Strategy overview.

FURTHER WORK

21. Given the close relationship between the corporate planning, performance management and risk management processes it is our intention to work with the relevant Directors to integrate performance, risk and financial reporting. This will include a review of the best use of technology to minimise human input and members will be appraised of the results in due course.

IMPLICATIONS OF REPORT

22. This report has no implications for specific Directorates. The matters raised in the report are cross cutting and impact upon the authority as a whole.

GARRY BARCLAY
HEAD OF SHARED ASSURANCE SERVICES

There are no background papers to this report.

Report Author	Tel	Date	Doc ID
Andy Armstrong Garry Barclay	01772 625256 01772 625272	19/03/09	SRR.doc

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STRATEGIC RISK REGISTER 2009/10

The Council's ambition is for Chorley to be recognised as the most attractive, caring and vibrant place in the North West to live, to work, to invest and to visit.

Our Vision

People can expect safe, clean, sustainable neighbourhoods with equal access to first class, co-ordinated public services which meet their diverse needs. They can expect high quality local job and training opportunities, a decent home and to be valued and respected by all. They will be able to have their say and influence local services in their areas and to insist on good value for public money. The character of our friendly, contemporary market town and its surrounding villages will be enhanced whilst ensuring Chorley plays a pivotal role in regional economic development.

PRIORITY	PROSPERITY	PEOPLE	PLACE	PERFORMANCE		
STRATEGIC OBJECTIVE	1 Strengthen Chorley's economic position in the Central Lancashire Sub-Region Leads: Cllr P Malpas Jane Meek	2 Improving Equality of opportunity and life chances Leads: Cllr P Case Jamie Carson	3 Involving people in their communities Leads: Cllr J Walker Donna Hall	4 Develop Local solutions to climate change Leads: Cllr P Malpas Jane Meek	5 Develop the character and feel of Chorley as a great place to live Leads: Cllr P Goldsworthy Ishbel Murray	6 Ensure Chorley Council is a consistently top performing organisation Leads: Cllr P Goldsworthy Lesley-Ann Fenton
LONG TERM OUTCOME	1.1 A vibrant local economy 1.2 A thriving Chorley town centre and other service centres 1.3 Preserve jobs in the borough 1.4 Create and maintain Higher Added Value Jobs	2.1 The number of neighbourhoods in the worst 20% nationally will reduce 2.2 Improved life chances for young people and children 2.3 Improved quality of life for the borough's older people 2.4 Healthier communities and reduced health inequalities 2.5 Improved quality of life in rural communities	3.1 People will be involved in decision making and in improving the well being of their communities 3.2 Increase the level of volunteering in the borough	4.1 The Council's environmental footprint will be reduced 4.2 An improved local environment 4.3 Seek to protect the local natural environment and improve biodiversity	5.1 More people will be satisfied with Chorley as a place to live 5.2 There will be a range of housing tenures that address community requirements 5.3 There will be more affordable housing 5.4 Safer communities 5.5 Improvement and extension of the green corridor of Chorley	6.1 Community aspirations are delivered through the efficient use of resources and effective performance management 6.2 An excellent community leader 6.3 A provider and procurer of high quality priority services 6.4 An excellent Council that is continually striving to improve 6.5 Improved access to public services
KEY STRATEGIC RISKS (RED) AND OPPORTUNITIES (GREEN)	<p>Outcome 1.1</p> <ul style="list-style-type: none"> Deliver the Economic Regeneration Strategy to achieve objectives in the corporate plan but resourcing may be an issue Failure to deliver a strategy/proactive structured approach to create employment Economic slowdown / credit crunch – reducing developments in the borough <p>Outcome 1.2</p> <ul style="list-style-type: none"> Town Centre – risk of decline unless investment is made Delays to the Market Walk phase 2 development The effect of the recession on the high street may result in the loss of small business and big stores <p>Outcome 1.3</p> <ul style="list-style-type: none"> Not retaining skills base in local economy (52% of working population travel outside the Borough) Excellent schools & skills base Impact of the economic slowdown on employment levels Lack of priority given to addressing issues in areas of deprivation <p>Outcome 1.4</p> <ul style="list-style-type: none"> Not retaining skills base in local economy (52% of working population travel outside the Borough) Excellent schools & skills base Impact of the economic slowdown on employment levels 	<p>Outcome 2.1</p> <ul style="list-style-type: none"> Uncoordinated agency approach to individuals, families and young people in SOA's Worsening gap between haves and have not's in the borough The recession may worsen life-chances in the most deprived areas <p>Outcome 2.2</p> <ul style="list-style-type: none"> A reduced focus on teenage pregnancy by the LEA in Chorley could result in an increase within hotspots of the borough <p>Outcome 2.3</p> <ul style="list-style-type: none"> Failure to implement long term plans to cope with an ageing population on issues affecting the older members of society Insufficient resources to support an ageing population <p>Outcome 2.4</p> <ul style="list-style-type: none"> Good and affordable leisure facilities and countryside location Lack of leadership from the PCT as they are in a period of change Specific problems regarding alcohol, respiratory diseases and cancer Alcohol is still an issue and generally health issues are still worse than our nearest neighbours in the 2008 Chorley health profile <p>Outcome 2.5</p> <ul style="list-style-type: none"> In comparison to similar (family) authorities health in Chorley is poor Lack of a co-ordinated approach to deliver improved quality of life in rural communities 	<p>Outcome 3.1</p> <ul style="list-style-type: none"> Potential changes to the 4 yearly system from 2011 <p>Outcome 3.2</p> <ul style="list-style-type: none"> Lack of direct focus on promoting volunteering by the Council 	<p>Outcome 4.1</p> <ul style="list-style-type: none"> Implementation of the Climate Change Strategy The cost implications of 'green' options <p>Outcome 4.2</p> <ul style="list-style-type: none"> Mobilisation of the new waste collection contract <p>Outcome 4.3</p> <ul style="list-style-type: none"> Improving local neighbourhoods & the environmental footprint Maximize the level of council owned land which is actively conservation managed. 	<p>Outcome 5.1</p> <ul style="list-style-type: none"> The place survey will change the way we measure satisfaction from service based to more 'place' based Maintaining the identity of the borough <p>Outcome 5.2</p> <ul style="list-style-type: none"> Local people priced out of the housing market Lack of affordable housing The recession and housing market slump will affect development of affordable properties as developer's bank land Homelessness and demand for temporary accommodation may increase due to job losses and the collapse of buy to let Increasing levels of mortgage repossessions may result in higher numbers of homeless presentations Increase in demand for private rented sector due to inability to obtain mortgage finance <p>Outcome 5.3</p> <ul style="list-style-type: none"> Local people priced out of the housing market Lack of affordable housing The recession and housing market slump will affect development of affordable properties as developer's bank land Loss of S106 income may lead to failure to deliver affordable housing <p>Outcome 5.4</p> <ul style="list-style-type: none"> Changes to Community Safety Partnership - strategic responsibility to County may move resources / impact away from Chorley Impact of recession may lead to increasing levels of crime <p>Outcome 5.5</p> <ul style="list-style-type: none"> Good and affordable leisure facilities and countryside location 	<p>Outcome 6.1</p> <ul style="list-style-type: none"> 3% Efficiency and Transformation Targets Deliver better VFM Data Quality issues Proactively manage the Council's performance information architecture in response to the new NI set Dealing with increasing customer expectations Falling satisfaction with the Council during the recession Failure to achieve level 3 of the Equality Standard (6.4) <p>Outcome 6.2</p> <ul style="list-style-type: none"> Two tier working opportunities Develop LSP activity The need to manage political relationships effectively Keeping partners engaged <p>Outcome 6.3</p> <ul style="list-style-type: none"> Maintain excellent services & performance in light of budget/efficiency targets Workforce Plan now in place Find other ways to provide non priority services & redirect resources to priority areas Ineffective management of the Council's partnerships (not LSP) The adverse economic climate may affect partner's service delivery and key contracts. Loss of key staff following CPA Staff retention of due to a lack of career path Falling income streams due to recession may adversely effect resourcing and service delivery <p>Outcome 6.4</p> <ul style="list-style-type: none"> Proactively manage the Council's performance information architecture in response to the new NI set Potential for complacency following the achievement of excellent status <p>Outcome 6.5</p> <ul style="list-style-type: none"> Successfully Implement CRM Implement a strategy for managing customer access / focus and channel migration Deal with failure demand from NI 14
ACTIONS	Business Directorate <ul style="list-style-type: none"> Implement the "Market Chorley to the world" action plan (1.1,1.2,1.4) Continue to market the "Revolution" strategic regional site (1.1,1.4) Deliver the "New business start up" program(1.1,1.2,1.4) Implement the "Chorley Employment Charter" (1.1,1.3) 	Business Directorate <ul style="list-style-type: none"> Develop the Friday Street health centre project with the PCT facilitated through "Land bank" (2.1,2.4) Target the "Chorley Employment Charter" towards areas of deprivation (2.1) Focus the use of the Outreach Enterprise Facilitator Service towards deprived areas to encourage entrepreneurship and self employment (2.1) 	Business Directorate <ul style="list-style-type: none"> Work in partnership with TWL Ltd to encourage volunteering and activities in areas of deprivation(3.2) Business Transformation & Improvement Directorate <ul style="list-style-type: none"> Budget consultation exercises 2009/10 (3.1) 	Business Directorate <ul style="list-style-type: none"> CHESSE scheme to target energy saving measures in private sector housing (4.1) Achieve the targets set in the Corporate Strategy to increase the no of sites which are actively managed (4.3) 	Business Directorate <ul style="list-style-type: none"> Complete the restructure of Strategic Housing (5.2) Implement an In house Debt Counsellor (5.2) Assume direct management of Cotswold House (5.2) Deliver the Homeless Prevention Strategy (5.2) Establish a holistic housing advice centre and promote all housing options (5.2) 	Business Directorate <ul style="list-style-type: none"> Implement the recommendations from the VFM review of Business (6.1) Implement the "Homestart" family Support Project (6.2) Develop an outreach service including home visits for homelessness and housing advice customers (6.5)

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PRIORITY	PROSPERITY	PEOPLE	PLACE	PERFORMANCE		
	<ul style="list-style-type: none"> Explore the feasibility of a private sector led "Town Centre Management Board" (1.1) Provide support to business and staff using: Redundancy Task Force Connect to Work Enterprise Facilitator service (1.1,1.3) Undertake an analysis of which business will be worst affected by recession and the impact on rural business (1.1,1.2,1.3) Develop Joint working with CCH and other RSL's to remove barriers to employment and address skills gaps (1.3, 2.1) Implement the "Connect to work project"(1.3) <p>Business Transformation & Improvement Directorate</p> <ul style="list-style-type: none"> Investigate the reduction of invoice processing times (1.1,1.2,1.3) <p>Information & Communications Technology Directorate</p> <ul style="list-style-type: none"> Develop web site "dialogues "relating to the economic downturn containing advice and guidance (1.3,2.1,3.2,6.5) Explore the feasibility of implementing a Chorley digital TV channel to provide improved communication with the public (1.3,2.1,6.5) <p>People Directorate</p> <ul style="list-style-type: none"> Develop a specific range of measures within the "Children's Trust" activity (1.3) People 	<ul style="list-style-type: none"> Develop outreach projects at Cotswold House including Family Planning/Sexwise /Jobcentre plus/welfare advice and develop a programme of learning for customers on basic literacy and maths, life and parenting skills (2.2,2.4) Develop a coordinated peer education project with other partners for delivery in schools targeted at most deprived areas where young people more likely to seek social housing at an earlier stage (2.2) Promote the "CHESS" fuel poverty scheme (2.2,2.3) Procure a new Handyperson Scheme contract (2.3) Housing advice team to deliver outreach (2.5) <p>Business Transformation & Improvement Directorate</p> <ul style="list-style-type: none"> Utilise the Medium Term Financial Strategy to manage resources (2.3,6.3) <p>Chief Executives Office</p> <ul style="list-style-type: none"> Chief Executives of CBC/PCT to undertake regular liaison meetings to develop relations (2.4) <p>Neighbourhoods Directorate</p> <ul style="list-style-type: none"> Undertake the CDRP Community Satisfaction Plan and Strategic Assessment (2.2) Days of action planned for rural areas in 2009 (2.5) <p>People Directorate</p> <ul style="list-style-type: none"> Continue to invest in free swimming (2.2,2.3) Deliver "Get up and Go" (2.2) Deliver the "Children's Trust" guidance on risk taking behaviour (2.2,2.4) Utilise the "Circles of Need" project to provide better joined up services for older people (2.3,6.2) Implement the "Rescue for Health" initiative (2.4) Undertake joint working with the PCT to develop a health inequalities strategy (2.4) Price freeze on Leisure Services admissions across the board (2.4) Lobby the Central Lancashire Health and Well-being Board lobby to develop corporate partnership working around the PCT footprint (2.4) <p>Policy & Performance Directorate</p> <ul style="list-style-type: none"> Meetings planned between the ACE (P&P) and the PCT Director of Partnerships to develop closer joint working through LSP activity (2.4) Undertake an LSP rural economic diversification project (2.5) Establish a "Rurality" task and finish" group (2.5) Work with LSP partners to allocate performance reward grant effectively to reduce the gap and address key issues relating to inequality and life chances (2.1,2.2,2.3,2.4,3.2,5.4,6.1,6.2) 	<p>Chief Executives Office</p> <ul style="list-style-type: none"> Investigate further opportunities for community management (3.1) <p>Neighbourhoods Directorate</p> <ul style="list-style-type: none"> Implement the "Face the Public" community safety initiative based on a strategic assessment (3.1) Neighbourhood Working consultation event (3.1) The expansion of community development and neighbourhood working includes targets to increase volunteering to be measured in the Neighbourhoods action plan. (3.2) <p>People Directorate</p> <ul style="list-style-type: none"> All SPAA projects contain elements of volunteering (3.2) Develop a corporate Volunteering Plan (3.2) <p>Policy & Performance Directorate</p> <ul style="list-style-type: none"> Review the Citizen's Panel (3.1) Utilise the LSP Community Empowerment Network (3.2) Introduce a lottery funding training program for officers and volunteers (3.2) Focus on promoting volunteering through Chorley Smile (3.2) Information and links to volunteering will be made available on the Chorley Partnership Web site (3.2) 	<p>Neighbourhoods Directorate</p> <ul style="list-style-type: none"> Develop an "in house" recycling scheme within the Council (4.1) Green Flag status applied for Tatton Rec, Withnell and Yarrow Valley (4.3) <p>People Directorate</p> <ul style="list-style-type: none"> Implementation of the Heat Exchanger project at All Seasons to save 33% of CBC annual carbon target (4.1) <p>Policy & Performance Directorate</p> <ul style="list-style-type: none"> Publicise and administer the climate change grants for SME's and the Third Sector (4.2) 	<ul style="list-style-type: none"> Develop effective links with the private rented Sector and a Rental Bond Scheme for vulnerable people (5.2) Terminate the CAB agreement and bring the specialist housing advisor back in house (5.2) Develop and implement a Mortgage Rescue Scheme (5.2) Work with the Courts to determine if any forthcoming possession hearings are preventable (5.2) Proactively target empty homes (5.2) Develop the Land Holding project to deliver 40 housing units (5.3) Explore the housing opportunities for existing sites not considered viable that may attract social housing grant (5.3) Set up an affordable housing task force to improve internal communication and maximise section 106 outputs (5.3,6.3) Developing a programme of potential sites for expenditure of commuted sums for affordable housing managers post (5.3) <p>Neighbourhoods Directorate</p> <ul style="list-style-type: none"> Establish a "mini - MATAC" within each of the seven Neighbourhood areas (5.4) <p>Policy & Performance Directorate</p> <ul style="list-style-type: none"> Analyse the place survey results to ensure public satisfaction issues are addressed (5.1,6.1) 	<p>Business Transformation & Improvement Directorate</p> <ul style="list-style-type: none"> Continue VFM review program (6.1) Update the procurement and efficiency strategy (6.3) Undertake training for managers in the application of the revised Partnership Framework (6.3) Update exit management plans for all key partners and contracts (6.3) Continue to monitor partnership performance with regular reports to members.(6.3) <p>Human Resources & Organisational Development Directorate</p> <ul style="list-style-type: none"> Deliver the actions in the Workforce Plan (6.1) Work with Staff Matters to develop health and wellbeing activities to improve staff workplace and community satisfaction (6.3) Deliver the Management Leadership Program (6.4) <p>Neighbourhoods Directorate</p> <ul style="list-style-type: none"> Develop and establish Mobile Working within Neighbourhoods (6.5) <p>People Directorate</p> <ul style="list-style-type: none"> Complete a partial restructure in People and appoint a 'Customer Information Officer' (6.5) Undertake the 'Tell Us Once' Bereavement Pilot scheme (6.5) Deliver the draft project within the Locality Plan to provide combined access channels for all development applications (6.5) <p>Policy & Performance Directorate</p> <ul style="list-style-type: none"> Continue to fund LSP projects (6.2) Develop a Locality Plan with LCC (6.2) Adopt relevant former BVPI 's as local indicators and incorporate them within Service Plans (6.3,6.4) Undertake a CAA self assessment and implement action to address gaps (6.3,6.4) Implementation of a new Corporate Performance management system. (6.4) N1 14 baselines taken and actions to address avoidable contact planned (6.5) Apply for funding for the proposed "Timely Information for Citizens" project to reduce "Avoidable Contact" (6.5) Utilise LAA funding to develop further projects with partner and strengthen commitment to joint working (6.2)

