

# Sunderland City Council

## Corporate Risk Profile 2011/2012

### Risk Matrix

<b>IMPACT</b>	Critical	4				
	Significant	3				
	Moderate	2				
	Minor	1				
<b>Risk Rating Matrix</b>			<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
			Unlikely	Possible	Likely	Almost Certain
			<b>LIKELIHOOD</b>			

#### Risk Impact:

1 = Minor  
2 = Moderate  
3 = Significant  
4 = Critical

#### Risk Likelihood:

1 = Unlikely  
2 = Possible  
3 = Likely  
4 = Almost Certain

## STRATEGIC & CORPORATE RISKS

### STRATEGIC PRIORITY: PEOPLE

**Risk PE1: Sunderland Council does not effectively lead the City in responding to the needs of residents and communities**

**Risk Owner: Janet Johnson (Deputy Chief Executive)**

	Risk Impact (RI)	Risk Likelihood (RL)	Risk Rating (RIxRL)
<b>Projected Risk Score for 01/04/12</b>	4 Critical	2 Possible	8 <b>Medium</b>
<b>Current Risk Score</b>	4 Critical	2 Possible	8 <b>Medium</b>

**Risk Commentary:**

Sunderland Council will need to be prepared to lead the City's Partners through a period of significant changes including spending reductions and those brought about by the introduction of the Localism Bill. The Bill marks the beginning of a potential power shift away from central government to the people, families and communities of Britain. The aim of the Bill is to strip away any top-down bureaucracy which stands in the way of frontline public services and civil society. It aims to give local people the powers and funding to deliver what they want for their communities with a particular determination to help those who need it most. The Localism Bill will provide the legislative foundation for change.

In addition, engagement with residents and communities will be required to drive forward the City's priorities and improvement agenda. Sufficient capacity to respond to residents and communities needs will be paramount to effective leadership, especially during times of change. Partners may become more reliant upon the Council to lead them through such change. Joint working will be essential to discover new and innovative methods of consulting and listening to residents and communities whilst avoiding duplication of effort/data collection. The Council will need to be clear about its core values whilst delivering its community leadership role within the City.

**Risk PE2: Unable to accelerate quality of life improvements for residents of Sunderland**

**Risk Owners: Keith Moore (Executive Director of Children's Services) and Neil Revelly (Executive Director of Health, Housing & Adult Services)**

	Risk Impact (RI)	Risk Likelihood (RL)	Risk Rating (RIxRL)
<b>Projected Risk Score for 01/04/12</b>	4 Critical	3 Likely	12 <b>High</b>
<b>Current Risk Score</b>	4 Critical	3 Likely	12 <b>High</b>

**Risk Commentary:**

There are considerable health inequalities within the City. There are currently insufficient programmes in place to deliver significant health improvements. Opportunities for further developments and early intervention strategies need to be expanded.

The ability to respond to resident's needs and aspirations in relation to social care has become more challenging as the Council responds to the personalisation agenda. Workforce development is required to support increased commissioning activities. There are still concerns around the Council's ability to manage the market, e.g. supply chain risks.

There is a significant risk to the reputation of the Council, Partners and the City if a high profile or widespread failure occurred in relation to safeguarding. A death or serious incident of abuse against a child, young person or vulnerable adult would instigate a serious case review.

Reducing poverty levels in Sunderland is challenging, especially given the current economic climate. Providing the right level of social housing and affordable home initiatives to meet the needs of residents is also more challenging given the economic climate.

**STRATEGIC PRIORITY: PLACE****Risk PL1: Unable to accelerate physical regeneration in the City****Risk Owner: Janet Johnson (Deputy Chief Executive)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	4 Critical	3 Likely	<b>12 High</b>
<b>Current Risk Score</b>	4 Critical	3 Likely	<b>12 High</b>

**Risk Commentary:**

Alternative approaches are needed to lever and/or release funding to kick-start and drive progress on regeneration projects across the City in a timely manner, e.g. maximising the assets and resources we have in our portfolio, working with organisations that have access to other funding.

Visibility of progress will address any negative perceptions, e.g. Vaux site development. The Economic Masterplan and the transport infrastructure to support it, need to be aligned.

Additional housing developments would support regeneration across the City and could attract more residents and developers. The lack of capital investment in schools also needs to be considered.

The financial restrictions relating to regeneration programme could lead to difficult choices in relation to the extent to which communities will benefit. Effective communication relating to the benefits and opportunities offered to residents as a result of regeneration activity needs to be sufficiently planned.

**Risk PL2: Opportunities are not taken to create a more attractive and inclusive City****Risk Owner: Ron Odunaiya (Executive Director of City Services)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	3 Significant	2 Possible	<b>6 Medium</b>
<b>Current Risk Score</b>	3 Significant	2 Possible	<b>6 Medium</b>

**Risk Commentary:**

Sunderland is not fully promoting and exploiting its prime offerings/attributes, e.g. heritage, green space, coastline etc. and therefore failing to make the best use of them to attract more people to the City, i.e. businesses, new residents and tourists.

Good progress has been made in relation to waste management and recycling.

Opportunities can be gained from working with Partners' to better utilise land and property across the City (including vacant premises).

Creating a low carbon economy and sustainable energy sources could create opportunities for the City and may attract investors and residents.

Future housing developments need to be attractive to current and potential residents, and in line with future workforce mix (e.g. given potential low carbon economy businesses).

There remains a perception amongst residents that fear of crime is still an issue.

**STRATEGIC PRIORITY: ECONOMY****Risk EC1: Sunderland does not utilise available funding opportunities to accelerate economic growth****Risk Owner: Janet Johnson (Deputy Chief Executive)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	4 Critical	3 Likely	<b>12 High</b>
<b>Current Risk Score</b>	4 Critical	3 Likely	<b>12 High</b>

**Risk Commentary:**

Key areas of economic development requiring investment and collaboration include the development of the City Centre, building the City's reputation in the low carbon economy, and developing more home grown businesses to increase the City's economic resilience.

If opportunities are not taken to accelerate growth then the North-South divide could worsen.

Neighbouring Authorities may also attract more investment which would reduce economic wellbeing and growth in Sunderland.

A reduction in public sector budgets will reduce the Council's ability to support development activity at a time when private sector investment is still likely to be relatively difficult to access.

**Risk EC2: Lack of flexibility and resilience to respond to economic and social changes and exploit opportunities****Risk Owner: Janet Johnson (Deputy Chief Executive)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	3 Significant	3 Likely	<b>9 High</b>
<b>Current Risk Score</b>	3 Significant	3 Likely	<b>9 High</b>

**Risk Commentary:**

The Economic Masterplan proposes, that in order to become fundamentally more prosperous, Sunderland must focus on a set of important sectors including the City Centre, to transform its economy into one that is driven by low carbon economic activity.

Potential public sector job cuts could have a detrimental impact on the employment rate within the City, with significantly more people needing support into new employment or enterprise.

There are concerns that more action is required to prepare young people for the world of work and provide them with the mix of skills needed for the future. Residents in Sunderland may not have the necessary skills or the opportunity to develop the skills to switch between careers.

**Risk EC3: The City does not promote and maximise its profile and identity, at a regional, national and global level, to attract investment, development and tourism****Risk Owner: Deborah Lewin (Director of Communications & Marketing)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	3 Significant	2 Possible	<b>6 Medium</b>
<b>Current Risk Score</b>	3 Significant	3 Likely	<b>9 High</b>

**Risk Commentary:**

The Council has established the Reputation and Influencing programme to support the future development of the City by raising the profile of Sunderland; increasing reach and influence; and encouraging business and investors to “do business” in the City. It is about developing and implementing a strong sense of economic place for the City.

The programme focuses on creating the best possible conditions for continued economic growth, supporting existing businesses to expand and be more successful and developing an ambitious investment marketing strategy to attract further new investment to the City.

**CORPORATE OBJECTIVES: CUSTOMER FOCUS/ONE COUNCIL/PARTNERSHIP WORKING****Risk CO1: Unable to maintain a high standard of service delivery during the implementation of a new business operating model****Risk Owner: Helen Paterson (Strategic Director of Transformation)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	3 Significant	2 Possible	6 Medium
<b>Current Risk Score</b>	3 Significant	3 Likely	9 High

**Risk Commentary:**

The various elements of the new Business Operating Model will be introduced on a phased basis. There is a potential for a dip in service delivery as employees familiarise themselves with significantly new processes and ways of working.

**Risk CO2: Sunderland Council does not exploit new and innovative models of service delivery to achieve required efficiencies****Risk Owner: Malcolm Page (Executive Director of Commercial and Corporate Services)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	3 Significant	3 Likely	9 High
<b>Current Risk Score</b>	3 Significant	3 Likely	9 High

**Risk Commentary:**

Various hypotheses are identified through the service assessment process to explore new and innovative models of service delivery. Many hypotheses are being declined as they are unproven and can introduce a high level of uncertainty. Even though efficiencies may still be met, such anxieties can prevent/stifle progress and innovation. In addition the "Localism" agenda suggests that public services should be delivered by alternative providers, e.g. private sector, charities, and social enterprises.

**Risk CO3: The Council loses corporate knowledge and information when staff leave the organisation or switch job roles****Risk Owner: Sue Stanhope (Director of HR & OD)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	3 Significant	2 Possible	6 Medium
<b>Current Risk Score</b>	3 Significant	3 Likely	9 High

**Risk Commentary:**

There is a risk that when employees leave the organisation or switch job roles their corporate knowledge goes with them. This concern is heightened due to the major restructure of the Council, a large number of retirements and the introduction of SWITCH.

**Risk CO4: Inability to match and motivate human resources and skills/abilities to meet the changing organisational requirements****Risk Owner: Sue Stanhope (Director of HR & OD)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	4 Critical	2 Possible	8 Medium
<b>Current Risk Score</b>	4 Critical	3 Likely	12 High

**Risk Commentary:**

Given it is untried/untested there are uncertainties regarding the ability of the internal job market, vacancy management and SWITCH processes to meet expectations and deliver the required benefits. Staff morale is likely to be affected by the reduction in staff numbers, the scale and pace of change and uncertainties linked to IJM, SWITCH etc.

The existing high level of employee 'resilience' to deal with unexpected change / problems / incidents may diminish given a combination of factors affecting the workforce's morale / capacity.

**Risk CO5: Adverse outcome in relation to Single Status & Equal Pay litigation**

**Risk Owner: Sue Stanhope (Director of HR & OD)**

	Risk Impact (RI)	Risk Likelihood (RL)	Risk Rating (RIxRL)
Projected Risk Score for 01/04/12	4 Critical	3 Likely	12 High
Current Risk Score	4 Critical	3 Likely	12 High

**Risk Commentary:**

Judgements from the tribunals and any appeals will run through 2011 into 2012. The Council has deployed external legal specialists. The Council has prudently set aside some reserves, but many scenarios are possible, each carrying a different level of potential financial liability.

**Risk CO6: The Council's data is not adequately protected**

**Risk Owner: Malcolm Page (Executive Director of Commercial & Corporate Services)**

	Risk Impact (RI)	Risk Likelihood (RL)	Risk Rating (RIxRL)
Projected Risk Score for 01/04/12	3 Significant	2 Possible	6 Medium
Current Risk Score	3 Significant	2 Possible	6 Medium

**Risk Commentary:**

Information and data can be lost, stolen, exposed or corrupted through inadvertent human error, malicious acts, and inherent weaknesses in existing information and data security arrangements. The increased usage of remote devices to support agile working may increase the likelihood of a data loss occurring.

Data security and protection policies are in place and progressing with change, but awareness and compliance remains a concern.

**Risk CO7 The Council does not maximise the use of ICT to support the delivery of strategic priorities**

**Risk Owner: Janet Johnson (Deputy Chief Executive)**

	Risk Impact (RI)	Risk Likelihood (RL)	Risk Rating (RIxRL)
Projected Risk Score for 01/04/12	3 Significant	2 Possible	6 Medium
Current Risk Score	3 Significant	2 Possible	6 Medium

**Risk Commentary:**

There are opportunities to use technology to support new ways of working. Council ICT services can exploit opportunities to work with Partners including Software City to develop innovative business solutions.

**Risk CO8: The Council's Business Continuity arrangements are not resilient to change****Risk Owner: Janet Johnson (Deputy Chief Executive)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	3 Significant	2 Possible	6 Medium
<b>Current Risk Score</b>	3 Significant	2 Possible	6 Medium

**Risk Commentary:**

The implementation of the new Business Operating Model and service reviews have brought about significant change to the Council's structure and ways of working. There are concerns that business continuity arrangements have not taken account of such changes and would be ineffective if disruption occurred.

**Risk CO9: The effective control and coordination of programmes and projects is not consistently applied across the Council****Risk Owner: Janet Johnson (Deputy Chief Executive)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	3 Significant	1 Unlikely	3 Low
<b>Current Risk Score</b>	3 Significant	3 Likely	9 High

**Risk Commentary:**

The corporate methodology for programmes and projects is not totally embedded across the Council. In some areas there is lack of clear objectives scope and outcomes. Processes are seen by some as barriers to progress and delivery, with a level of over processing and over control.

**Risk CO10: Opportunities arising out of the changing relationships with schools are not maximised****Risk Owner: Keith Moore (Executive Director of Children's Services)**

	<b>Risk Impact (RI)</b>	<b>Risk Likelihood (RL)</b>	<b>Risk Rating (RIxRL)</b>
<b>Projected Risk Score for 01/04/12</b>	3 Significant	1 Unlikely	3 Low
<b>Current Risk Score</b>	3 Significant	2 Possible	6 Medium

**Risk Commentary:**

"The Importance of Teaching" the Schools White Paper 2010 presents an opportunity for schools to be more responsible for their own improvement. The role of the Council will shift towards being able to monitor progress, making sure that all schools are continually improving and, where necessary commission additional support, intervene or trigger the intervention of other agencies.

Local Authorities are likely to become champions of choice, securing a wide range of education options for parents and families, ensuring there are sufficient high-quality school places, coordinating fair admissions, supporting vulnerable children and challenging schools that fail to improve. Funding for maintained schools will continue to go through Local Authorities but the Government will consult on introducing a national funding formula. Functions for funding academies and 16-19 education will be transferred to an executive agency. It will have responsibility for passing funding to Local Authorities for maintained schools.