

Risk Management Progress Report

Risk 1 - On-going Financial Viability of the Council

Owners

Assistant Director (Finance) and Service Manager (Finance)

Description

Since 2010-11 the overall level of Central Government Grant received by the council has reduced from £7,639,170 to £4,710,590 in 2015-16, representing a cash reduction of £2,928,580 (38.3%) over the six-year period. Changes in the local government funding structure during the coalition government term, such as New Homes Bonus, Localised Support for Council Tax, Business Rate Retention and Welfare Reform have introduced unprecedented volatility and uncertainty in local government. There are also other external factors affecting the financial position of the council, such as increases in demand for certain Council services and a desire for clients and residents to interact with the council in different ways.

Action to mitigate risk (2015/Q2)

Budget holders continue to routinely monitor service budgets, with quarterly budget monitoring information for both General Fund and HRA presented to Members. Management Team undertake monthly monitoring of key lines of income and expenditure such as staffing costs and fees and charges income. The announcements of the Chancellor regarding the future of local government funding have resulted in difficulties in planning or anticipating the financial position of both the General Fund and HRA in the future. This continues to be an area of focus for the council, which will hopefully become clearer following the Spending Review announcements at the end of November.

In addition, the Service Review Process over the past two years has been generating options for consideration in early 2016, alongside updated financial estimates within the Medium Term Financial Plan, at which point decisions will be made about which options to implement.

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Risk 2 - Changes in National Priorities & Legislative Change

Owners

Chief Executive and Management Team

Description

New legislation, particularly around Welfare Reform and Social Housing Reform, will have a significant impact on the business of the council. The council needs to keep abreast of developments in legislation to ensure that it is best placed to respond to any changes it may face, whilst recognising that legislative changes may impact on the council's strategic partners and affect the ability to deliver joint projects and programmes.

Action to mitigate risk (2015/Q2)

Monthly Policy Briefings are prepared and circulated to Management Team and Wider Management Team providing an update on key issues emerging from central government departments these includes new and proposed legislative changes. The briefings ensure that officers are fully informed of changes or potential changes affecting their own service areas and the wider council. Relevant Service Managers report to Management Team on government proposals impacting upon their areas of business. In addition, the council proactively responds to consultations from central government departments and agencies wherever it is considered in the council's interest to do so. This ensures that the views of the council are communicated back to government so that they may be taken into account as policy decisions are formulated ahead of any new legislative programme. Consultations carried out in the last six months for which GBC has responded include; the Home Office's 'Consultation on Fees under Licensing Act 2003' that proposed measures by which licensing fees could be set at a local level. Due to the strategic nature of government legislation, the council's senior management team has regularly assessed that any response is best administered via a corporate working group model. This has included project groups relating to Universal Credit and the Council Tax Reduction Scheme. One current example relates to the Housing service. The government has publically announced a number of initiatives relating to local authority housing that, if implemented via formal legislation, are likely to have a significant impact on the financial sustainability of the council's Housing service. Resultantly the council's senior management team commissioned a dedicated corporate working group featuring officers from a number of services. The group were tasked with both addressing the financial challenge facing the HRA as posed by the changing national policy landscape, and equally, to deliver the immediate priorities of the council's new administration. The Gravesham Area Board is a forum for collectively reviewing and steering public resources in local services to meet the needs of the local Gravesham community. Central to that aim, partners of the Board provide regular briefings and intelligence sharing on the core legislative developments impacting on their services (e.g. public health agenda) with a view to ensure joint-working opportunities are delivered wherever possible to the benefit of local residents.

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Risk 3 - Organisational capacity/ resilience

Owners

Assistant Director (Finance) and Service Manager (Revenues and Benefits)

Description

The council's Management Team have put in place arrangements to deal with the reduction in Government grant funding over the medium term, including approval of all new appointments and the cessation of temporary staff contracts and non-contractual overtime (except in exceptional circumstances). Inevitably these actions increase the demands on the remaining staff, which can expose the council to key person dependency and the risk of poor resilience. Management and staff can help improve organisational capacity and resilience by identifying critical tasks, working flexibly across departments and developing the skills and abilities of key leaders and staff. The council also need to ensure that it has plans in place to cope with other potential impacts on capacity which may result from severe weather, building damage or pandemic to ensure that key services can continue to be delivered.

Action to mitigate risk (2015/Q2)

In order to monitor and allocate resources to critical tasks and services effectively, Management Team continues to assess requests to fill vacant posts to ensure that resources are effectively deployed to the delivery of the council objectives.

Staff at all levels and across all Directorates are encouraged and supported to work more flexibly across the organisation through the provision of corporate and service specific training thereby increasing consistency and transferable skills.

Training is being provided to support increased flexible working across the organisation. Cross directorate working groups such as those for Community Events, IIP Internal Review and Service Review have provided a range of opportunities for staff to work across different disciplines, increasing their skills, knowledge and flexibility. In addition, managers are encouraged to review structures and extend the skills of individuals to increase resilience.

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Risk 4 - Management of Universal Credit Implementation

Owners

Director (Finance & Environment) / Assistant Director (Environment)

Description

The government remains committed to a phased implementation of Universal Credit and have been testing in partnership with pathfinder local authorities. Following the roll-out of Universal Credit in the North West of England, national roll-out will use a tranche based approach. Universal Credit is rolling out in four tranches; with tranche one taking place between February 2015 and April 2015, for 77 local authorities Gravesham have been requested to adopt Universal Credit in tranche two in its most basic form on the 18 May 2015 for single residents only in prescribed circumstances. The Department for Work and Pensions (DWP) has overall responsibility for implementing Universal Credit, although the Council will have a key role in how the scheme will be introduced within the Borough. There remains much uncertainty as to the exact direct and indirect consequences of the changes upon the authority, particularly whether resources to support the scheme will still be required to be retained by the council (and at what level) once administration of Universal Credit is taken over by the Department for Work and Pensions. Indirect consequences are also expected, including the potential for increased arrears of Council Tax and Housing Rents (as benefit caps come into effect and payments are made direct to claimants) together with increased costs of cash handling through the shift away from rebating benefit to cash transactions.

Action to mitigate risk (2015/Q2)

Implementation of Universal Credit and all associated risk management actions are complete. This risk therefore should be considered for removal from the 2016-17 Register.

Risk Management Progress Report

Risk 5 Changes in Refuse and Recycling

Owners

Director (Finance & Environment) / Assistant Director (Environment)

Description

The Council was awarded £4,915,990 to improve the refuse and recycling service following a successful bid to the Government's 'Weekly Collection Support Scheme'. The money was awarded to fund the introduction of wheelie bins to replace the clear recycling bags and black sacks and to introduce a new food waste collection service. Given the scale and importance of the new arrangements the introduction of the new service was split into two phases. Phase one of the project which consisted of the introduction of wheelie bins for recycling and the new food waste collection service was successfully introduced during 2014. Additional work in 2015 consists of introducing a recycling service for flats. Planning for phase two of the project which consists of the introduction of wheelie bins for residual waste will take place during 2015 in preparation for rolling out the new service in 2016

Action to mitigate risk (2015/Q2)

The implementation of recycling in flats is progressing; it is anticipated that the majority of GBC flats will have the service by the end of 2015. Where the service has been implemented so far it has proved to be successful.

Development of the 'Phase Two' Communications Project Plan is being designed along the same lines as phase one. The communications plan has been delivered to 'drip feed' messages to residents and to target low participation areas.

The Assisted Collection Service for those residents who are unable to move their wheelie bins is being continued with residents now able to register online. Waste managers are continuing to engage with residents to assist them in resolving bin storage locations.

Regular meetings are being held between Operational Services, GBC Customer Services and the Communications Team order to monitor risks and to report any issues arising to the Director (Finance & Environment).

Project costs are being monitored as part of the budget management process and the MTFP will be updated to reflect any changes in forecasts.

Other ongoing work includes:

- research and preparation of the Procurement Plan,
- the preparation of a detailed 'Project Roll-out Plan' and identification of GBC refuse driver 'pilots',
- the Formal validation of costs with suppliers and proactive monitoring and control of costs through robust project management,
- Monitoring of parked cars to ensure they do not cause significant operational problems.