

LGA Strategic Risk Register – Summary Updated 18 May 2015

Ref	Type	Description of risk	13/14	14/15				Move- ment	Review Date
			Q4 score	Q1 score	Q2 score	Q3 Score	Q4 Score		
EXTERNAL									
S1	Impact/delivery	The LGA is not effective in achieving its vision for local government.	4	4	4	4	4	↔	Sept 2015
INTERNAL									
S2	Full membership	LGA membership reduces - the LGA loses legitimacy	12	12	12	12	12	↔	Oct 2015
S3	Effective governance	The LGA does not represent the interests of its members.	N/A	12	12	12	12	↔	Sept 2015
S4	Persuasive communications	Councils do not have a strong national voice	N/A	9	9	9	9	↔	Jan 2016
S5	Financial Sustainability	The LGA is not financially viable	12	12	20	20	20	↔	Sept 2015
S6	Effective business mangement	Our back office services are inefficient	20	20	20	20	12	↓	Nov 2015
S7	Effective people management	We do not engage or develop our employees	3	3	3	3	3	↔	Apr 2016
S8	Accessible information	We do not share information effectively externally and internally	N/A	9	9	9	9	↔	Jan 2016

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date
S1	<p>Impact/delivery</p> <p>The LGA is not effective in achieving its vision for local government:</p> <ul style="list-style-type: none"> - Funding for local government - Economic growth, jobs and housing - Public service reform - Sector-led support, improvement and innovation 	<p>Cause</p> <ul style="list-style-type: none"> - Lack of focus and prioritisation - Not active on the big issues - Failure to deliver lobbying objectives - Support to councils is not valued <p>Effect</p> <ul style="list-style-type: none"> - Loss of membership – see below - Lack of credibility with government - RSG and other funding not renewed 	<p>4 5</p>	<ul style="list-style-type: none"> - Clear priorities agreed with members through the business planning process - Comprehensive governance arrangements in place to ensure clear cross-party support for the LGA's lobbying objectives - Public Affairs function to monitor political change - Boards to drive the delivery of the LGA's top priorities - Full programme of LGA campaigns linked to priorities <p>Sources of assurance – quarterly performance reporting; regular reports to Executive, Leadership Board and LGA Boards</p> <p>KPI – Customer survey data</p>	<p>4 1</p>	<ul style="list-style-type: none"> - Focused work on the LGA's strategic priorities: Funding for Local Government; Devolution; Economic Growth, Jobs and Housing; and Sector-Led Improvement 	<p>Chief Executive – Sept 2015</p>

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date
S2	<p>Full Membership</p> <p>LGA membership reduces to the point where the LGA loses legitimacy as the voice for the sector</p>	<p>Causes</p> <ul style="list-style-type: none"> - General financial pressures on councils - LGA not seen to provide value for money <p>Effect</p> <ul style="list-style-type: none"> - LGA loses legitimacy as the voice for the sector - Local government becomes more fragmented in its engagement with government 	<p>5 3</p>	<ul style="list-style-type: none"> - Member benefits communicated to all councillors - Active engagement with councils on notice - LGA achievements communicated regularly through the Chairman's bulletin, First etc - Transparency with publication of key data - Annual Customer Survey - Senior members, SMT and Principal Advisers maintain relationships with councils - Governance arrangements kept under review to ensure focus is maintained on key issues for our membership - Loyalty discount to prevent members going on notice <p>Source of assurance – ongoing monitoring and publishing of membership changes</p> <p>KPI – Total membership and members on notice to withdraw</p>	<p>4 3</p>	<ul style="list-style-type: none"> - Continued direct contact with councils on notice or at risk of giving notice 	<p>Head of Corporate Services – Oct 2015</p>

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date
S3	<p>Effective governance</p> <p>The LGA does not represent the interests of its members</p>	<p>Causes</p> <ul style="list-style-type: none"> - Members do not lead and steer the work of the LGA - Members are not representative of the full range of councils and political views <p>Effect</p> <ul style="list-style-type: none"> - The LGA does not focus on the most important issues for councils - Councils leave membership 	<p>4 5</p>	<ul style="list-style-type: none"> - Transparent governance arrangements which are representative of local government as a whole - Annual review of governance arrangements with changes approved by the LGA General Assembly - Engagement of the political groups through the Political Group Offices - LGA Board structure reflects the important issues for local government - Board attendance incentivised and monitored <p>Sources of assurance – annual review by each board by Executive; annual governance review for decisions to General Assembly; reviewed by internal audit each year</p> <p>KPI – Total membership and members on notice to withdraw</p>	<p>4 3</p>	<ul style="list-style-type: none"> - Review of the LGA's governance arrangements 	<p>Head of Corporate Services – Sept 2015</p>

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date
S4	<p>Persuasive communications</p> <p>Councils do not have a strong national voice</p>	<p>Causes</p> <ul style="list-style-type: none"> - Slow response times - Messages lack impact <p>Effect</p> <ul style="list-style-type: none"> - Low media profile - Government does not engage - LGA not seen as relevant by members – membership falls 	4 5	<ul style="list-style-type: none"> - Clear programmes of work focusing on council priorities driven by Executive and Boards - Dedicated Communications team to co-ordinate and publish messages through the most appropriate channel - Political spokespeople identified and provided with media training - Monday morning meeting to co-ordinate campaigns and comms - Political group offices co-ordinate cross-party responses <p>Sources of assurance – Quarterly Communications Report to Leadership Board</p> <p>KPIs – Number of national media mentions; episodes of media coverage; number of website views; number of mentions in Parliament</p>	3 3	<ul style="list-style-type: none"> - Website re-design - First magazine re-design 	<p>Head of Comms – Dec 2015</p> <p>Head of Comms – Dec 2015</p>

Ref	Risk	Cause and effect	Inherent risk I L 5 →1 5 = high	Controls/Sources of assurance	Residual risk I L 5 →1 5 = high	Further Actions to improve mitigation	Owner/ Date
S5	Financial sustainability The LGA is not financially viable.	Causes - Membership withdrawal - RSG funding reduction - Loss of government grants and contracts - Pension liabilities not fully funded - Overheads do not reduce in line with reductions in income – see below - Pension liabilities crystallise as employee numbers reduce in the individual companies Effects - Significant reduction in size – not able to provide core services - Significantly increased pension costs in future years - Going concern issues	5 5	<ul style="list-style-type: none"> - Effective budget planning and management - Financial strategy regularly reviewed by Leadership Board - Strategy for reducing the Pensions Deficit agreed - Accommodation strategy agreed for Local Government House and Layden House - Regular dialogue with CLG to secure RSG topslice funding <p>Source of assurance – monthly management accounts</p> <p>KPI – Total headcount KPI – Debtors</p>	4 5	<ul style="list-style-type: none"> - Refurbishment of Layden House – project now underway - Development of Local Government House to optimise commercial potential - Commercial strategy agreed and due to be implemented in 2015/16 – Head of Commercial Development appointed - Ongoing dialogue with CLG on RSG funding from 2016/17 	Head of Corporate Services – Mar 2016 Head of Corporate Services – Dec 2015 Executive Director – Oct 2015 Head of Leadership and Productivity – Sept 2015

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date
S6	<p>Effective business management</p> <p>Our back office services are inefficient</p>	<p>Causes</p> <ul style="list-style-type: none"> - Unforeseen event triggers contract failure. - Contract not fit-for-purpose. - Ineffective client side - Lack of service availability - Quality and performance of service delivery fails to meet client's standards - Contract re-negotiation does not achieve required reduction in overheads <p>Effects</p> <ul style="list-style-type: none"> - Business support requirements not met – we are not able to deliver our services effectively - Inability to make cost reductions. - Negative impact on reputation, particularly with membership - Inability to make changes - Customer dissatisfaction - The LGA does not keep pace with external developments, particularly with ICT 	<p>4 5</p>	<ul style="list-style-type: none"> - Governance arrangements in place – Programme Board, Contract Management Board, Contract manager - Liberata performance against KPIs monitored - Client-side team review day-to-day performance on the contract - Annual customer surveys - Exit management plan in place should the contract terminate - Contract renegotiated from April 2013 - ICT client-side strengthened and ICT strategy developed <p>Source of assurance – monthly reporting and review of Liberata KPIs at Contract Management Board</p> <p>KPI – Liberata customer satisfaction survey</p>	<p>4 3</p>	<ul style="list-style-type: none"> - Liberata contract terminated. Service improvements and efficiencies achieved by bringing services back in-house and through the re-procurement of ICT services 	Executive Director – Nov 2015

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date
S7	<p>Effective people Management</p> <p>We do not engage or develop our employees</p>	<p>Causes</p> <ul style="list-style-type: none"> - Low employee morale - Lack of clarity and focus - Reductions in employee numbers to achieve a balanced budget <p>Effects</p> <ul style="list-style-type: none"> - We do not retain key employees 	<p>4 3</p>	<ul style="list-style-type: none"> - Clear focus and prioritisation through the business planning process - Line management support - Strong focus on internal communications through The Wire, monthly employee briefings; annual employee conference; Knowledge Bites - Appraisal scheme - Actions taken in the light of Employee Surveys and other feedback <p>Source of assurance – annual employee survey; quarterly Employee Profile report to SMT</p> <p>KPI – Employee engagement KPI – BME employees % of total workforce KPI – average sick days</p>	<p>3 1</p>	<ul style="list-style-type: none"> - Employee development programmes continue 	Head of HR - ongoing

Ref	Risk	Cause and effect	Inherent risk I L 5 → 1 5 = high	Controls/Sources of assurance	Residual risk I L 5 → 1 5 = high	Further Actions to improve mitigation	Owner/ Date
S8	Accessible information We do not share information effectively, externally and internally	Causes <ul style="list-style-type: none"> - Lack of corporate framework and clear corporate policies - ICT system is not fit for purpose - Effects <ul style="list-style-type: none"> - Reputational impact - Inefficient working - Possible legal challenge 	3 5	<ul style="list-style-type: none"> - Annual Data Audit - Policies and procedures in place for Data :Protection, FOI, Records Management, Transparency - Information champions appointed for each team Sources of Assurance: Reports to Corporate Information Governance Group; annual report to SMT from CIGG	3 3	<ul style="list-style-type: none"> - Roll-out of Sharepoint 	Head of Corporate Services – Jan 2016

Risk Matrix - the following chart shows where, and what colour the risk will fall in to dependent on the scores. Red being the most severe and green being the least. The scores within the chart are multiples of the likelihood and impact,

For example (Likelihood of) **3** x (Impact of) **4** = (Risk score of) **12**

		Projected likelihood		
		Low (1)	Medium (3)	High (5)
Potential impact	Very high (5)	manage and monitor - 5	urgent focus and action - 15	immediate focus and action - 25
	High (4)	management effort worthwhile - 4	manage and monitor - 12	significant focus and action - 20
	Medium (3)	accept but monitor - 3	management effort worthwhile - 9	manage and monitor - 15
	Low (1)	accept but monitor - 1	accept but periodically review - 3	accept but monitor - 5

What the colours mean (as a guide):

- Red - Urgent actions required to reduce ratings **15 – 25 points**
- Amber - Actions required to manage and monitor ratings **12 points**
- Yellow - Actions required to monitor ratings **4 – 9 points**
- Green - Actions required to maintain ratings **1 – 3 points**