

**Cheltenham Borough Council**  
**Cabinet – 12<sup>th</sup> July 2016**

**Regulatory and Environmental Services – Commercial Transformation Programme**

<b>Accountable member</b>	<b>Councillor Andrew McKinlay</b>
<b>Accountable officer</b>	<b>Tim Atkins – Managing Director Place &amp; Economic Development</b>
<b>Ward(s) affected</b>	<b>ALL</b>
<b>Key/Significant Decision</b>	<b>YES</b>
<b>Executive summary</b>	<p>This paper proposes the next stage of the transformational programme for the Council's regulatory and environmental services. The programme will review all resources to identify options to create a commercially focused flexible and resilient service. This will enable the delivery of the financial savings over a longer term.</p> <p>The report highlights the need for initial investment to support the creation of a business culture, installing mechanisms and processes that allow more effective performance and financial management. Opportunities will be provided for staff to work across existing functions to deliver the priority workstreams. This flexibility will allow the service to react more readily to the constantly changing financial and economic landscape.</p> <p>Dedicated roles are proposed to support the delivery of key workstreams whilst the review is underway. These will be funded from existing vacancies across the organisation. To enable these cultural changes and commercial focus to become embedded, a transitional period is required before savings are fully realised. This will allow existing functions to be reviewed and assessed against priorities whilst income streams improve, cost reduces and support can be provided to the local economy and the delivery of the emerging Place Strategy.</p> <p>This invest-to-save initiative requires the deferral of the £157K saving identified for 2017/18. It also recognises that Executive Board and Cabinet will work with the MD for Place &amp; Economic Development in meeting the longer term economic growth target of £500K by 2019/20, which also needs to be considered in light of the other challenges set out in the MTFS. Given issues currently arising in the economy and the impact of a growing budget deficit within the Council, careful consideration as to how this target is to be delivered will need to be collectively agreed by officers and members as a priority.</p>

The proposed cultural shift to a commercially focused organisation will be difficult to achieve with ongoing financial and economic uncertainty. The challenging financial targets set will only be achieved if some resources can be re-focused and re-prioritised to support activities that are more cost effective and / or generate greater financial return. Executive Board and Cabinet should review how this shift can be achieved and which resources and activities are to be identified and refocused to support the delivery of the new service.

**Recommendations that Cabinet:**

- 1. Approve and proceed with the transformational programme for the Council's regulatory and environmental services as proposed in this paper over an initial two year period.**
- 2. Authorise the Managing Director for Place & Economic Development in consultation with the Cabinet Member for Development and Safety to drive forward the transformation programme and implement the interim changes to the existing organisational structure to support the refocusing of resources where appropriate.**
- 3. Authorise the Managing Director for Place and Economic Development, in consultation with the Cabinet Member for Development and Safety to develop and implement such income generating / cost recovery initiatives and measures as he considers appropriate to assist in the delivery of the financial targets.**
- 4. Approve the deferral of the £157.5K saving for 2017/18 to 2018/19.**

<b>Financial implications</b>	<p>The Medium Term Financial Strategy (MTFS) approved by Cabinet in October 2015 assumed the costs of the Regulatory &amp; Environmental Services restructure would be found by 2017/18 allowing 12 months for delivery. This was funded on a one-off basis from New Homes Bonus.</p> <p>Deferring the savings target by 12 months will cost the Council a further one-off sum of £157.5K which will need to be met by delivering further budget savings or cuts in 2017/18 either on a one-off or ongoing basis as there is insufficient funds held within either earmarked or general reserves to fund at present. The impact of this will be incorporated within the updated MTFS for Cabinet to be approved in October 2016 and the 2017/18 Budget for Council approval in February 2017.</p> <p>The costs of resourcing the programme (£124K) can be met from vacant posts held across the Council. C3.1 of the Council's Financial Rules allows the relevant service manager, in consultation with GO Shared Services, to have delegated authority to correct variations in budgeted income or expenditure within an approved service provided the variation does not have a financial impact on the approved net budget for the service. Using this delegation, £105,700 of vacancies are held within Regulatory &amp; Environmental Services and be realigned to meet the revised resourcing requirement. The remaining £18,300 is to be funded from vacancies held within the Commissioning Division and will be vired under C4.2.1 of Financial Rules for amounts over £10k but not exceeding £25,000 which must be approved by the relevant Director and Section 151 Officer with the relevant Cabinet Member informed.</p> <p>Ring fencing these posts will put increased pressure on the council's ability to deliver its staff vacancy target of £350K particularly if staff turnover is low, however at this point it is understood that this can be accommodated over and above the staff vacancy target although this will need to be regularly monitoring through the quarterly Budget Monitoring Reports.</p> <p><b>Contact officer: Nina Philippidis, Accountant – Financial Services</b> <b>nina.philippidis@cheltenham.gov.uk, 01242 264121</b></p>
<b>Legal implications</b>	<p>None specific directly arising from the report recommendations. Legal support/advice may be required in taking forward some of the proposals/initiatives referenced in this report.</p> <p>Whilst the service re-design and transformation anticipated by this report is an executive matter, the staffing side falls within the overall responsibility of the Head of Paid Service (which may be delegated to another officer) with directors being able to appoint and dismiss staff within their teams.</p> <p><b>Contact officer: Peter Lewis, Head of Law (Regulatory)</b> <b>peter.lewis@tewkesbury.gov.uk, 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>GOSS HR are working closely with the Managing Director for Place &amp; Economic Development on the Commercial Transformation Programme. The HR Business Partner and HR Manager will ensure that HR processes are followed to create and recruit to the new interim posts. Discussions with employees and the two recognised trade unions will be key part of the programme moving forward.</p> <p><b>Contact officer: Julie McCarthy, HR Manager GO Shared Services</b> <b>julie.mccarthy@cheltenham.gov.uk, 01242 264355</b></p>

<b>Key risks</b>	<p>The proposals seek a longer-term financial horizon to address the savings targets in the MTFS. This is based around an initial period of investment and review that should result in increased revenue streams from fees / charges / cost reduction, sharing of resources and growth through NNDR, Council Tax, NHB, external funding and joint ventures. There is uncertainty regarding the wider economy and the future funding landscape in local government. There is also a risk that the assumptions made will change, or not materialise and that the financial and growth targets will not be achieved. It is therefore essential that flexibility and resilience are built in to the new arrangements, so like all successful businesses, the service can adapt to commercial and economic challenges.</p> <p>If the financial targets set in the MTFS are to be achieved, hard decisions regarding resource allocation and prioritisation are going to be required. There is a risk that by reallocating existing resources away from their existing roles the Council may not be able to offer the same level of service for some areas. Cabinet and Executive Board will need carefully assess the resource and service implications for existing delivery, if an adequately resourced and commercially resilient service is to be delivered. This may also impact on the resources currently identified for the delivery of the existing capital programme.</p> <p>Working practices will continue to change and roles / delivery may begin to cross administrative boundaries which may be challenging and impact on staff morale. Strong management, leadership and training will be required and many of the existing jobs and roles will change resulting in the need for more flexibility. This may have financial consequences that need to be accounted for as part of the full life costs of the programme.</p> <p>The report proposes a shift in the culture in which Environmental and Regulatory Services are delivered, developing a strong commercial emphasis. There is a risk that not all the necessary skills are available within the organisation currently and that will have an impact on the delivery timetable and potential financial returns.</p>
<b>Corporate and community plan Implications</b>	The Place Strategy is currently being developed and will be considered at the 16 <sup>th</sup> October Cabinet. All the key strands and workstreams set out in this report will be aligned with the Place Strategy. The Corporate plan will set the annual targets and outcomes for the wider service.
<b>Environmental and climate change implications</b>	None
<b>Property/Asset Implications</b>	<p>None</p> <p><b>Contact officer:</b> David Roberts, Head of Property Services  <b>david.roberts@cheltenham.gov.uk, 01242 264151</b></p>

## **1. Background**

- 1.1** In July 2015 a report to Council initiated a restructure of the Council's Environmental & Regulatory Services Division as part of a transformation project (REST). Out of this report flowed the decisions to appoint a new Managing Director (MD) of Place and Economic Development to lead the future restructure of the group and place a strong emphasis on economic development whilst taking the necessary steps to secure resilience and commercial focus– informed by an independent review of the economy of Cheltenham by Athey Consulting.
- 1.2** It was also agreed that these services would be retained by the Council and not included in the 2020 partnership.
- 1.3** The division's services are currently managed through the following service areas: Public Protection, Enforcement, Cemetery & Crematorium, Building Control, Development Management, Policy & Plans, Townscape and Green Space. Each of these areas has a service manager who reports to one of the two Directors.
- 1.4** The programme had a vision at that time that services would be more:
- Customer focused – delivering services in a more convenient manner for the customer;
  - Supportive of economic growth;
  - Efficient – a joined up service at optimal cost.
- 1.5** The paper set out a new structure creating the posts of the Director of Planning and Director of Environment reporting to the MD to achieve the necessary cost efficiencies so that the structure was cost neutral. The report accepts that further restructuring and service transformation would be required to deliver this ambition. This further work has been left for the MD to review and deliver. The cost of the structure change was £157.5K, funded from New Homes Bonus in 2016/17 with savings assumed in the Medium Term Financial Strategy (MTFS) from 2017/18.
- 1.6** A further target of £500K from 2019/20 was included within the Council's financial plan for the new MD of Regulatory and Environmental Services to develop, in conjunction with Cabinet, a strategy for delivering further income through this Council's aspiration for further improved economic performance. This was discussed in some detail in the council's MTFS as approved in October 2015 by Cabinet.
- 1.7** The MD has been in post since February 2016. It is evident from an initial informal service review that there is a requirement for further change, particularly with regard to commerciality and productivity. Delivering the necessary change and focus around the Place agenda will require upfront investment into the services as a spend-to-save initiative to enable new streams of income, cost reduction and commercial culture to be embedded.
- 1.8** The need for change is further highlighted by recent policy statements made by the government extending the scope of competition across these services, now including planning. Such freedoms already exist with services such as Building Control, where Approved Inspectors are able to undertake Building Regulation applications. This remains a considerable challenge for local authority services along with other external factors.

## **2. Divisional Restructure Progress**

- 2.1** The first tranche of the REST project set out a new management structure that was based on the principle that future savings could be achieved through the consideration of a number of options: the reduction of service manager posts, a flatter management structure and / or the scope for increased income.

- 2.2** Since his appointment, the MD has undertaken a high level review of the service. Considerable systems thinking work has been undertaken previously, looking at business processes and the scope for driving out efficiency. Before new structures are considered a more comprehensive review of the delivery cost of each function needs to be undertaken so that simple utilisation and cost efficiency baselines can be established.
- 2.3** This work has already begun and an initial programme of work is underway to establish a:
- Time recording system for all staff in the Place & Economic Development Division.
  - Baseline of all costs associated with specific business activities, including support services enabling more accurate productivity and utilisation rates to be reported and monitored.
  - Matrix of how the different activities and functions score in terms of cost, potential for income generation, need, importance and impact.
  - Framework for more effective financial and performance management of each function.
- 2.4** One of the major drivers for the appointment of the MD's post, was the need to promote and develop the Place agenda and strengthen work on economic development, tourism and growth. Cheltenham's regulatory and environmental services provide an important role in supporting the local economy and community. The Athey Report commissioned by the Council provided the evidence that a more focused approach needed to be taken regarding economic and place making issues. It is therefore important that the Council are able to closely influence the direction of these services providing the necessary level of flexibility allowing resources to be focused where needed, to react to the fast changing economic landscape.
- 2.5** A Place Strategy is being developed; that will set out the long term principles for Cheltenham as a 'Place' that will be linked to the annual corporate strategy and the delivery of this transformational programme.

### **3. Consideration of External Influences**

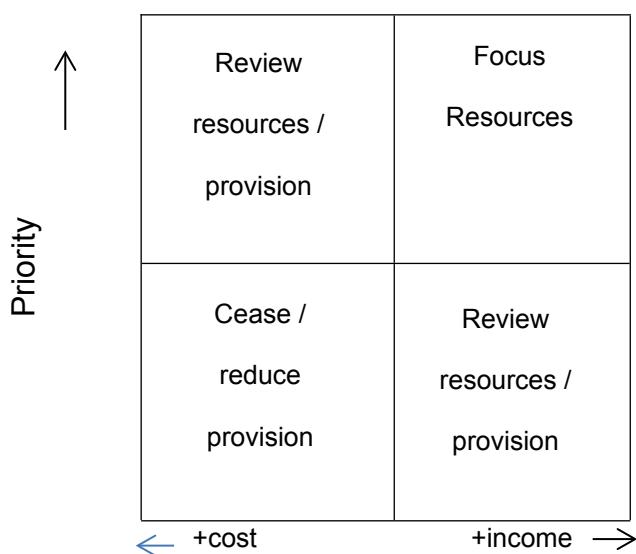
- 3.1** There are a number of important external influences to be considered as part of the future management of these services including: the recent EU referendum outcome, impact on UK government policy, the devolution agenda (nationally and regionally), as well as the growing challenge faced by these services of competition from private operators and the uncertainty surrounding the longer term funding strategy for Local Government.
- 3.2** The only certainty is that these services will continue to be faced with considerable change. The case for having more influence over the delivery of services which have an impact on the economic well-being of the wider community appears to grow. The ability to develop flexibility in delivery and create a strong commercial culture within the organisation is paramount.

### **4. Impact on 2020 Vision Programme**

- 4.1** The decision not to include the regulatory and environmental services into the 2020 programme was taken as part of the July 2015 report. Cheltenham is part of the 2020 partnership and continues to work closely and collaborate on the delivery of services. There are a number of important support services provided through the 2020 partnership that are critical to the next stage of the restructure and proposed commercialisation; these include financial, ICT and Human Resources.
- 4.2** The success of the transformation programme proposed will rely heavily on support from these 2020 services being available to affect the required cultural and organisational change.

## 5. Transformational Programme Proposals

- 5.1 The initial review undertaken shows a service that has experienced on-going reduction in resources over a considerable period. There does, however, remain scope to provide greater flexibility and a stronger business approach.
- Although service provision has been maintained in most areas, there has been minimal investment into the development of the business, particularly staff training and development. The majority of staff operate solely in their functional areas, which weakens the service's overall resilience and limits staffs potential and career opportunities.
- 5.2 These services cannot be sustained in an effective and resilient manner with this constant cycle of cost reduction. A long-term business strategy is required, building flexibility across the organisation. The potential exists to review, prioritise and grow some of these services, generate income, become more resilient and strengthen service delivery. If this is to be achieved, investment is required. Members have already recognised this approach in supporting investment in a new crematorium, which will secure the longer term financial resilience of the bereavement service.
- 5.3 A more commercial operational structure will enable the allocation of resources to priorities and provide flexibility between delivery strands. This will allow a better understanding of the actual cost of delivery in relation to the fees / charges levied and the utilisation rates of different service areas, resulting in the ability to make more informed decisions regarding service delivery.
- 5.4 A transformational programme is proposed to run over the next 2 years. Initially, this will assess all the activities and functions undertaken, establish the full cost of delivery, balanced against the income generated (where appropriate) and consider the scope for improvement and new income streams. The assessment will use a simple matrix (Figure 1 below) to inform resource prioritisation.



- 5.5 One of the most important outcomes will be to improve the group's resilience and ability to react to wider business needs. For example, much of the work across the group involves customers completing applications, making a payment, having the application checked, visited, assessed and either approved or refused. In most cases there is an enforcement capacity that addresses non-compliance. Similar systems are used to support these processes.

There is considerable scope to make these arrangements more efficient and free-up resources that could then be refocused or directed to other areas. Our neighbouring authorities also undertake similar activities, many of which face the same challenges in maintaining the desired levels of provision and resilience. Consideration will therefore be given to testing the scope for some level of sharing where there is over / under capacity.

- 5.6** An assessment will be made as to how best to use current resources. The key options will be to invest / increase, reallocate / decrease, share or cease the activities undertaken. As part of this exercise there is scope to examine the potential of sharing the delivery of some of these functions with other authorities, stakeholders or partners.

## **6. Priority Workstreams**

- 6.1** As part of the initial review a number of important workstreams have been identified that need dedicated focus and resource whilst the wider review is underway. These are as follows:

- **Business Management / financial & performance monitoring:** There is a considerable stream of work that needs to be developed, in creating a framework that provides service managers with the tools to undertake their jobs and effectively manage their services. The provision of high quality, accurate financial and performance data is essential to understand how the service is performing and where improvements are required on a month-to-month basis. To effectively provide this, a dedicated specialist resource is needed that will support all service managers. This will be backed-up by research and data analysis to ensure the information provided is accurate and useful. The output will be a performance management framework that provides clear focus in the development of the business, allowing productivity and utilisation to be effectively monitored and managed so effective business decisions can be taken.
- **Car Parking:** This generates c. £3.5M gross revenue per annum and is one of the Council's largest income streams. Investment is required in the management of this service, so that the business is supported by a more strategic level of expertise. A car parking strategy is in the process of being commissioned through an external consultancy tender. It is important that in developing this strategy, clear direction and support can be provided to ensure that there is no distraction to the day-to-day operation of the business, and that any findings / recommendations can be acted upon.
- **Economic Development / Tourism:** The Athey report and the Tourism strategy both set clear recommendations to improve this workstream. The MD for Place and Economic Development is charged with the delivery of these agendas. Recruitment for a short-term Tourism resource to deliver the first steps of the Tourism action plan is underway. The Place Strategy is currently being developed, however there are a number of important economic development activities that should be initiated. With the recent decision to progress with the Business Improvement District (BID) and other town centre initiatives it is important that some resource is focused into collaborating and managing future opportunities. In addition, the future role of the Task Force needs to be considered and developed to build on successes to date. Part of the tourism workstream will consider the future role and how economic development, marketing and tourism will most effectively be delivered, including an assessment of the level of resources required.
- **Fundraising / Inward investment:** The Council undertakes fundraising and inward investment activities, but over the years the over-arching strategic approach has diminished. Investment in a dedicated / specialist resource will enable a more co-ordinated approach so funding streams and partnerships can be identified and aligned to priorities providing the opportunity to access new funds. Although the funding landscape is likely to be changing considerably, new opportunities, potentially through collaboration, will continue to become available. This role should in theory be self-financing, and potentially offer scope to generate

considerable funds. A business case for introducing such a role into the organisation will be considered as part of the transformation process. To review the most effective means of improving capacity in this area, we will review the work currently undertaken in the Head of Paid Services Division and Place & Economic Development.

- **Events:** Cheltenham is famous for its successful festivals and there is potential to grow the existing calendar of events across Cheltenham, potentially in new locations. The Council still provides support for the delivery of all festivals and events, through licencing, public protection, planning, enforcement etc. Developing this strand of work is likely to be a priority in the emerging Place Strategy, it is therefore important that a greater emphasis be placed on co-ordinating and growing the events / festivals agenda and developing the collaboration between the key partners.
- **Anti-Social Behaviour / Homelessness / Street Begging:** There have been reported increases in all these areas. Considerable resource is already invested across the Council and with other stakeholders in tackling this important social / community issue. Consideration should be given to providing additional support to some of the emerging challenges, including closer collaboration with the Police.

## 7. Resource & Programme Management

- 7.1 This is a significant transformational programme that will be making a cultural shift in working habits and approach. Corporate support will be required to assist in scoping and delivering the programme. This will involve the design of a longer term organisational structure and detailed commercial and data analysis. This will be sourced from existing resources through the Council's programme management function.
- 7.2 The proposed workstreams will not necessarily be dedicated to a separate / specific post. In some cases delivery will be achieved through changes to internal working practices and reporting lines. Consideration will need to be given to the resources within the current service and the budget available. It is proposed that a number of posts are created that will deliver these key workstreams on an interim / secondment basis to begin with. A strong emphasis will be placed on encouraging existing staff across the structure to come forward and work across the existing structures. Support will be given to develop staff in delivering these interim roles.

## 8. Financing the transformational programme

- 8.1 The life of the programme will run until 2019/20. However, a minimum target of £157.5K per annum is to be achieved for the beginning of 2018/19. It is anticipated that by deferring the savings target by 12 months, it will enable the commercial approach to service delivery to be embedded; reorganising the division, re-prioritising and re-focusing its resources, enabling cost savings and the generation of additional income. This paper deals with the actions required for the interim stage of the transformation. Initial 12 month secondments are anticipated to cost around £124K and will be staggered across 2016/17 and 2017/18 whilst the programme progresses which will be funded through the virement of existing post vacancies held across the Council. The programme's progress and the interim roles will be reviewed after the first year.
- 8.2 The longer term financial target set for 2019/20 is now linked to the wider corporate savings targets set out in the MTFS. These will incorporate economic growth uplift baselines from NNDR / New Homes Bonus, Council Tax etc.
- 8.3 As set out in the key risk section of this report, the income generating potential and commercial culture cannot be effectively developed unless existing resources are reviewed and relocated.

- 8.4** There is a considerable cultural and structural shift required to refocus the existing service towards an effectively resourced commercial business that is able to compete with the ongoing economic challenges likely to be presented over the next 10-15 years. It is not possible to accurately scope or cost the potential support required to assist in the delivery of this cultural shift, however, this will be reviewed as the programme runs and the requirement and cost implications reported back as part of the monitoring process.
- 8.5** The Place Making strategy for Cheltenham is currently being developed and will set out the framework for the longer-term growth agenda. The transformation of the Council's regulatory and environmental services will play a pivotal role in supporting and enabling that agenda. The financial benefits arising from these interventions will not be realised immediately, but over time through an invest-to-save / efficiency generation strategy. It is recommended that the financing and delivery of the programme is broken down into two key stages:

**Stage1: Implement interim workstreams and posts / undertake review**

- i. Establish the interim posts through secondment or external consultancy support to deliver the workstreams set out over an initial 12 month period.
- ii. To fund these posts through the one-off recycling of a number of unfilled vacancies from within the Place & Economic Development Division and other vacancies within CBC. To defer the savings target set for the Place & Economic Development Division of £157K for Year 2017/18. This will enable the interim workstreams to be embedded and the transformational review to be undertaken.
- iii. To fund the car parking strategy work (c.£60K) from anticipated additional revenue arising from the car parking service – as recommended in the Outturn Report on this agenda.
- iv. Establish a baseline against which growth in housing, council tax, NNDR and new income streams generated through the transformational programme can be assessed.
- v. To review the financial performance and progress made in a monitoring report in July 2017 and make necessary adjustments to the assumptions / financial planning as part of the 2018/19 budget report and annually thereafter.

**Stage 2: Longer term restructure and commercially focused service**

- i. To provide the outcome of the review and report back in July 17 (or before) with more detailed proposals for implementation in 2018/19 for the delivery of the £157.5K target and the financial support generated from taking a commercial approach to service delivery, setting out next steps required for transformation and the potential financial implications.

## **9. Reasons for recommendations**

- 9.1** There is considerable volatility and uncertainty surrounding local government financing and the wider economy. It is essential that the Council takes steps to build in resilience and flexibility in the delivery of its regulatory and environmental services, thereby enabling them to effectively support and develop the local economy.
- 9.2** There is a clear need to move the delivery of these services onto a more commercially focused footing. This is not possible without a change in culture, structure and approach.
- 9.3** Initial investment in the service is essential if this cultural and commercial shift is to be achieved. There is considerable scope for this investment to result in improved income streams and new growth. However, a long term strategy is required and this needs to be factored into the MTFS to optimise the likelihood of success.

- 9.4** To achieve the delivery of this agenda and the longer term savings targets, the prioritisation and refocusing of resources is essential. Collaboration, sharing resources and initiates with other authorities, stakeholders and partners is necessary if resilience and flexibility is to be achieved in line with the financial targets.

## **10. Alternative options considered**

- 10.1** Consideration has been given to proceeding with a more traditional approach in achieving savings, by simply reducing the number of posts and / or reducing service delivery. This cycle has been repeated year on year and cannot be sustained. It will result in service failure in the medium to long term.
- 10.2** The services could all be transferred into the 2020 partnership at this stage – offering financial benefits. This has been given careful consideration. In light of the decision made in July 2015 regarding the service, it is proposed that the more detailed review proposed be undertaken as part of the transformation programme set out in the report. If the necessary efficiencies and savings are not considered achievable, this option can be reconsidered.
- 10.3** Weight also needs to be attached to the uncertainty surrounding the wider economy and the longer term funding position for local government. Due to the important role these services play, it is prudent to have greater influence over their delivery during the transformational programme period (as a minimum), to enable the Council to react to potential economic / funding changes.

## **11. Consultation and feedback**

- 11.1** There has been informal consultation with senior managers in the Place & Economic Development Division. Discussions with relevant cabinet members have also been held regarding the over-arching principles set out.
- 11.2** Key stakeholders have been advised of the development of the principles set out in this report regarding the future emphasis and cultural shift proposed.
- 11.3** The feedback from all these consultations has been positive. There is a general acceptance, that if the Council does not react to the changing financial and economic landscape and achieve greater commercial focus, it will become harder to protect jobs and deliver high quality services to residents and businesses.
- 11.4** Once the specific roles have been defined, the relevant staff and trade union consultation will be initiated.

## **12. Performance management –monitoring and review**

- 12.1** The aim of this paper is to introduce a more effective performance management framework as part of a shift towards more commercially-focused working. It is based on the principle that some limited initial investment over a two year period is required, to support the refocusing of resources through effective financial and performance management, supporting increases in utilisation and productivity.
- 12.2** It is envisaged that with the introduction of a business / performance focused resource, effective processes and mechanisms will be put in place that will enable cost analysis and performance forecasting to be part of the monthly business planning and monitoring process.
- 12.3** It is proposed to provide an updated progress and service delivery monitoring report in July 17 setting out next steps required for transformation and the potential financial implications.

<b>Report author</b>	<b>Contact officer: Tim Atkins – MD for Place &amp; Economic Development tim.atkins@cheltenham.gov.uk, 01242 264103</b>
<b>Appendices</b>	1. Risk Assessment
<b>Background information</b>	Restructure of Environmental & Regulatory Services paper 20 <sup>th</sup> July 2014

The risk				Original risk score (impact x likelihood)			Managing risk					
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likeli-hood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register	
	The transformational programme is unable to affect the desired cultural shift / commercial focus, and the implantation is delayed.	Tim Atkins	July 2016	4	3	12	Reduce	Update / monitoring reports to be provided on progress. Potential to introduce external specialist input if existing resources / skill sets require support.	July 17	Tim Atkins		
	If the financial savings / targets are not achieved, this will have a negative impact on the MTFS	Tim Atkins	July 2016	4	3	12	Reduce	Update / monitoring reports to be provided on progress. Alternative options do exist to achieve the savings targets, but they will have other impacts. This will be part of the ongoing MTFS monitoring exercise.	July 17	Tim Atkins		
	If there are significant changes to economic and financial position due to issues out of direct control – this may have an impact on the principals of the programme and the financial projections / resource needs.	Tim Atkins	July 2016	4	3	12	Reduce	Update / monitoring reports to be provided on progress. It is important to build in to the new structure resilience and flexibility to ensure the service is able to react and adapt to the fast changing economic and financial landscape.	July 17	Tim Atkins		
<b>Explanatory notes</b> <b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) <b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) <b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close												

## **Guidance**

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

## **Risk ref**

If the risk is already recorded, note either the corporate risk register or TEN reference

## **Risk Description**

Please use "If xx happens then xx will be the consequence" (cause and effect). For example "If the council's business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted."

## **Risk owner**

Please identify the lead officer who has identified the risk and will be responsible for it.

## **Risk score**

Impact on a scale from 1 to 5 multiplied by likelihood on a scale from 1 to 6. Please see risk [scorecard](#) for more information on how to score a risk

## **Control**

Either: Reduce / Accept / Transfer to 3rd party / Close

## **Action**

There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

## **Responsible officer**

Please identify the lead officer who will be responsible for the action to control the risk.

For further guidance, please refer to the [risk management policy](#)

## **Transferred to risk register**

Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on.