

BABERGH DISTRICT COUNCIL

FROM: Director of Finance

REPORT NUMBER: H25

**TO: OVERVIEW AND SCRUTINY
(STEWARDSHIP) COMMITTEE**

DATE OF MEETING: 13 May 2008

UPDATE ON SIGNIFICANT BUSINESS RISKS

1. PURPOSE OF REPORT

1.1 To provide Members with an update on the management of the significant business risks facing the Council and the need for a further strategic review of these.

2. RECOMMENDATIONS

2.1 That the latest position on managing each of the Council's Significant Business Risks, as set out in the final column of Appendix B, be noted.

2.2 That, in view of the impact of the Local Government Review announcement, a strategic refresh of these risks is undertaken as soon as possible.

The Committee is able to resolve these matters.

3. FINANCIAL IMPLICATIONS

3.1 None.

4. RISK MANAGEMENT

4.1 This report is most closely linked with the Council's Significant Business Risk No. 7 – Financial, Performance & Risk Management. Key risks are set out below:

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
The nature of the risks facing the Council as a result of the Local Government Review announcement aren't recognised and actively managed	High	Critical	Strategic refresh of the Significant Business Risks register to be undertaken as soon as possible.
Consideration not given to changes to other risks now facing the Council.	Significant	Critical	The 'refresh' will not only consider the impact of the LGR review but also any other changes in risks.

Local Government Review - Risk Scenario

<p>Vulnerability: (why, what’s happening, what’s the problem)</p>	<p>Trigger/risk: what’s the event/what could go horribly wrong?</p>	<p>Consequences: what would occur as a result, how much of a problem would it be?, to whom and why</p>
<p>In response to the Local Government White Paper, agreement to collaborate with other Suffolk Councils to develop innovative improvements to governance and service delivery within existing three tier local government structures in Suffolk.</p> <p><i>Unitary Status for Ipswich would have potential impacts</i></p>	<ul style="list-style-type: none"> • The Council and/or the Suffolk Councils collectively fail to take advantage of the opportunities presented by the White Paper and specifically the Pathfinder partnership • Pathfinder partnership is not developed or fails to agree key objectives (link to Partnerships and Shared Services Strategic Risk) • Councils are collectively unwilling/unable to make commitment to necessary change to deliver agreed outcomes (link to Partnerships and Shared Services Strategic Risk) • Council is unwilling/ unable to commit to changes agreed by other Suffolk Councils (link to Political Leadership and Governance Strategic Risk) • Failure to recognise need for internal cultural and organisational change to support Pathfinder approach to efficiencies and service delivery (link to Culture Strategic Risk) • Adverse Staff/Unison reaction to proposed change (link to Culture Strategic Risk) • Failure to recognise need to provide new forms of community leadership and governance (link to Political Leadership and Governance Strategic Risk) • Failure to deliver on desired change (link to Partnerships and Shared Services; Political Leadership and Governance; Culture; Capacity and Programme and Project Management Strategic Risks) 	<ul style="list-style-type: none"> • Current three tier arrangements increasingly unfit for purpose • Inability to deliver on major national or regional agendas • Council lacks capacity and/or skills base to tackle broad county-wide issues e.g. demographic change, global warming • External solutions are imposed on the Council(s): reactive not proactive role • Council lacks capacity to maintain and improve service quality and standards • Council cannot meet efficiency targets and make desired savings • Staff/Unison opposition leads to disruption in service delivery and/or impeded progress towards preferred solutions • Reputation issues: • Lack of engagement with internal and external partners and stakeholders • Poor image with residents and other stakeholders • Poor outcomes from Government inspection regimes and possible future grant settlements • Council cannot recruit/retain high calibre staff • Political parties cannot recruit/retain high calibre councillors • Lack of community leadership– potential community cohesion issues

Shared Services - Risk Scenario

Vulnerability: (why, what’s happening, what’s the problem)	Trigger/risk: what’s the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be?, to whom and why
<p>Greater demand/need for partnership working and shared service delivery to achieve savings, efficiencies and improved service delivery</p>	<ul style="list-style-type: none"> • Failure to identify the opportunities presented by partnership working and/or shared service delivery • Failure to recognise the need for and set clear objectives for partnership working • Failure to develop and effectively contribute to partnerships that will deliver agreed priority outcomes • Failure to identify and deploy resources needed to support key partnerships • Engagement in too many partnerships without clear focus and/or terms of engagement 	<ul style="list-style-type: none"> • Unable to deliver on agreed priorities • Key programmes are not delivered • Poorly focused/overstretched use of internal resources • Resources spread too thinly over too many partnerships • Slow/no progress on achieving efficiency savings, improved access to services and improved quality and timeliness of service delivery • Staff overloaded and subject to criticism: performance, motivation and health issues • Poor/ineffective relationships with partners and prospective partners • Inability to respond to externally driven agendas at national, regional or local level • Poor reputation with Government and Government agencies: poor inspection outcomes; reduced financial investment by Government; greater external financial control; reduced local choice • Damage to reputation of political and managerial leadership • Stakeholder criticism • Future viability of council may be threatened

Strategic Partnerships - Risk Scenario

<p>Vulnerability: (why, what’s happening, what’s the problem)</p>	<p>Trigger/risk: what’s the event/what could go horribly wrong?</p>	<p>Consequences: what would occur as a result, how much of a problem would it be?, to whom and why</p>
<p>Babergh does not have a strong geographical identity. The District is on the periphery of a number of developing economic regions – Harwich/Haven Gateway, Cambridge Corridor, West Suffolk/East Suffolk. Will face the consequences of key decisions without having a major influence in formulation. Babergh has challenging goals around housing and affordable homes.</p>	<ul style="list-style-type: none"> • Key decisions impact upon Babergh’s capacity to deliver and maintain services • The Council spreads its involvement in a wide range of partnerships too thinly. Failure to streamline partnership arrangements and focus on those that deliver Babergh’s priorities • Fails to influence formulation of these developments • A regional agenda builds and the Council is not prepared or proactive • Rural infrastructure continues to decline • Babergh fails to meet housing needs. 	<ul style="list-style-type: none"> • Failure to deliver adequate infrastructure to meet demand on housing and other services • Has influences on the demographics of the population for which Babergh is ill-equipped to respond • LDF fails to balance need to meet regional agenda whilst serving the needs of Babergh’s communities • Not perceived as a forward thinking, influential authority, thus affecting recruitment and retention • Council reacts to change rather than leading it • Structural changes do not benefit the communities Babergh serves • Council too busy responding to wide range of partnerships rather than focusing on what matters • Further loss of facilities • Loss of rural employment opportunities • Rural isolation • Loss of community spirit • Villages turn to dormitories/ unsustainable communities, including lack of affordable housing • Increase in crime and anti-social behaviour • Failure to deliver vision • Communities questioning what council does for them • Adverse environmental impacts

Political leadership & Governance - Risk Scenario

Vulnerability: (why, what’s happening, what’s the problem)	Trigger/risk: what’s the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be?, to whom and why
<ul style="list-style-type: none"> • The Council has ‘unusual’ governance, operating under streamlined committee arrangements with no overall political control and no Council Leader. This could continue after May 2007 elections • Council needs to take significant and contentious decisions against a backdrop of a fragile balance of working together and decision-making 	<ul style="list-style-type: none"> • Political leadership post- May 2007 elections is ineffective or breaks down • Current constitutional arrangements increasingly unfit for purpose • Perceived/actual lack of political leadership 	<ul style="list-style-type: none"> • Council priorities are not clear or consistent • Key decisions are not taken or are delayed or amended • Difficult decisions are avoided or slowed down • Council drifts into a vacuum • Council unable to play full, influential role in developing proposals and/or delivering innovative new county-wide governance arrangements
<ul style="list-style-type: none"> • Weakness of existing constitutional arrangements creates slow decision-making and the need to ‘second guess’ views • Commitment to work with other Suffolk Councils, whether or not the Pathfinder bid is successful, to develop innovative countywide governance arrangements will challenge Babergh’s current constitutional arrangements (see Strategic Risk – Local Government Review / Suffolk Pathfinder) 	<ul style="list-style-type: none"> • Political “leadership” is not supported by other councillors • Council does not enjoy same status and influence as other Suffolk councils in the “Pathfinder” Partnership • Council’s political leadership does not have the same decision-making powers as leadership in other Suffolk councils • Failure to take up White Paper opportunities 	<ul style="list-style-type: none"> • Councillors unable to provide clear community leadership – possible community cohesion issues • Major opportunities lost • External solutions imposed • Perceived as weak and unable to deliver by partners and other local authorities • Residents suffer through delays and inertia: reputation issues • Consultation and engagement wasteful and ineffective if decisions are not made as a result • Criticism from inspectors, media and community • Adverse impact on effectiveness of managerial leadership • Staff unclear on the ‘important issues’: no clear sense of purpose and direction; wasted, misdirected resources • Failure to attract and/or retain quality staff, and candidates to stand for election

Capacity - Risk Scenario

<p>Vulnerability: (why, what’s happening, what’s the problem)</p>	<p>Trigger/risk: what’s the event/what could go horribly wrong?</p>	<p>Consequences: what would occur as a result, how much of a problem would it be?, to whom and why</p>
<p>Babergh DC is a small organisation seeking to deal with an increasingly complex local government agenda. There is a myriad of initiatives, capacity of the organisation is tight, and a few key people are engaged in many diverse activities. The Council’s ambitions, objectives and forward planning combined with the day-to-day delivery of services require the consistent and planned availability of human and technological resources.</p>	<ul style="list-style-type: none"> • Insufficient clarity on the priorities the available resource is intended to support. • Changes in policy or statutory responsibilities. • Demographic changes over time. Failure to forecast, map or understand the implications of fluctuations. • Significant variations in workload. • Loss of key staff or significant volumes of staff. • Business partners not meeting their agreed role or responsibility. • Initiative overload. Over ambition. • Financial constraints. • Professional or technical skills fall out of step with the needs of the business. • Information Technology in place reaches the end of its life cycle. • Intended outcomes from organisational development programme or succession planning do not materialise. • Limited scope to attract and retain professional skills in key areas such as S151/monitoring officer/planning/environmental health – other LAs recruiting from the same pool of recruits in Suffolk 	<p>The organisation fails to deliver or meet:-</p> <ul style="list-style-type: none"> • Its own priorities and objectives • Statutory or committed work with government partners • Residents’ expectations • Shared services agenda <p>This may result in</p> <ul style="list-style-type: none"> • Loss of engagement with the community • Loss of public, government and peers’ confidence • Key projects being delayed or failing. • Potential failure in services or partnerships. • Increased likelihood of statutory scrutiny and control • Additional cost or diversion of resource managing the situation. • Loss of staff • Retrospective or current focus overwhelming focus on the future. • Increased turnover of staff/members • Increased levels of stress, absenteeism, illness. • Vulnerability to litigation

Culture - Risk Scenario

Vulnerability: (why, what’s happening, what’s the problem)	Trigger/risk: what’s the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be?, to whom and why
<ul style="list-style-type: none"> • Historically “good” performance and high customer satisfaction levels leading to lack of impetus to change. No perceived “burning platform” to drive change. • Some staff perceive a change agenda as an implied criticism of their personal achievement and performance. Negative reaction and resistance to changes that affect current “comfort zones”. • Changing demands on the Council that some Members and staff do not see the need for and are reluctant to support. 	<p>Negative reaction to proposed change</p> <ul style="list-style-type: none"> • impedes the ability of the political leadership to achieve Member consensus and consistency on objectives and priorities • makes some staff unwilling to take on new responsibilities or to change working practices • creates an adversarial “them and us” culture that impedes progress • absorbs a disproportionate amount of managerial effort to deliver agreed changes • Desired changes do not happen/are delayed/require disproportionate use of resources to achieve 	<ul style="list-style-type: none"> • Council looks inward and backward instead of outward and forward • Council is not fit for new and changing purpose • Council does not deliver on key priorities • Council fails to deliver key services • Partnership opportunities cannot be taken or our contribution is ineffective; key partnerships fail • Staff dissatisfaction and loss of morale and motivation • Poor, ineffective and misdirected deployment of staff resources • Inability to retain high calibre staff who do not wish to work in a negative culture • Inability to attract high calibre staff who do not wish to work for an organisation that is perceived to be reluctant to change • Senior management overloaded because of disproportionate input into change management and lack of confidence in capacity for successful delegation • Reputational issues with residents, other partners, stakeholders and media • Difficult to attract high calibre councillors who do not wish to serve on a council with a poor reputation

Financial, Performance and Risk Management Risk Scenario

Vulnerability: (why, what’s happening, what’s the problem)	Trigger/risk: what’s the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be?, to whom and why
<p>There is a need to have a comprehensive business/service planning process bringing together: -</p> <ul style="list-style-type: none"> - financial management - performance management - risk management <p>to ensure a clear focus on the Council’s priorities and use of resources in achieving these.</p>	<p>The Council doesn’t achieve its priorities and key actions in line with the resources and/or timescale set due to:</p> <ul style="list-style-type: none"> • Lack of organisational embedding and awareness • Inconsistent approaches and insufficient skills/ability to achieve this • Insufficient attention to these issues as part of the Audit Commission’s Use of Resources assessments 	<ul style="list-style-type: none"> • Service quality isn’t delivered, or is delivered ineffectively and inefficiently • Major projects/initiatives could be jeopardised. • The various sectors/communities of the District do not have their needs met • Poor customer satisfaction levels • Money isn’t spent, or more may need to be spent to bring priorities back on track • The Council is judged poorly when scrutinised by others – especially government agencies (This could also imply poor managerial and/or political leadership) • Reduced CPA judgement regarding our performance – negative direction of travel • Adverse publicity

Comprehensive Spending Review - Risk Scenario

Vulnerability: (why, what’s happening, what’s the problem)	Trigger/risk: what’s the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be?, to whom and why
<p>Comprehensive spending review in 2007 could result in low(er) increases in grant and higher efficiency requirements, specifically for district councils (with continued/more emphasis on other public sector services e.g. health, education for government funding)</p>	<ul style="list-style-type: none"> • Grant increases of around or below inflation e.g. between 0%– 3% per annum may be received • Efficiency Reviews don’t materialise/don’t deliver higher level of efficiencies required • These result in severe pressures on delivering the council’s aims and priorities within the desired financial strategy 	<ul style="list-style-type: none"> • Increased drive for VFM/shared services/radical and innovative solutions • Service quality suffers • Unable to deliver Financial Strategy and Council Tax increases of no more than inflation • Service cuts/public and Member dissatisfaction • Funding not available for key priorities/capital investment • Unrealistic calls on limited reserves • Impact on staff morale and performance/culture

Vulnerability: (why, what's happening, what's the problem)	Trigger/risk: what's the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be?, to whom and why
		<ul style="list-style-type: none"> • Could be a consequential impact on Use of Resources Direction of Travel assessment by the Audit Commission (and CPA score)

Management of Major Programmes And Projects - Risk Scenario

Vulnerability: (why, what's happening, what's the problem)	Trigger/risk: what's the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be?, to whom and why
<p>Much of the authority's work revolves around the management of significant projects and programmes of projects. This relies on strong programme/project management</p>	<ul style="list-style-type: none"> • Major initiatives or projects fail due to ineffective programme and project management • Ineffective or unclear Members and officer roles and Governance arrangements • Differential and/or inconsistent management of the pace of change <p>Lack of specialist capacity and expertise to manage and deliver key</p>	<ul style="list-style-type: none"> • The Council doesn't achieve what it set out to do • Resources are used ineffectively and/or inefficiently • Adverse publicity • Council could build a poor reputation as a delivery partner • Potential benefits from partnerships and joint working fails to materialise

Local Government Review - Management Action Plan

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Political and managerial leadership in each council needs to endorse a clear shared message and regularly reinforce it within their organisations</p> <p>Critical Success Factors Clarity of community leadership Increased community engagement Increased customer satisfaction</p>	<p>All Suffolk councils in the Pathfinder partnership have given formal Council endorsement to this collaborative venture. Suffolk Leaders/SCEG have formalised arrangements to drive this agenda forward.</p>	<p>Shared services – services for review have been defined and priorities agreed. 2 work streams – managerial and governance.</p> <p>Member input to managerial work stream has been strengthened with the nomination of two Members. Governance work stream delayed as a result of Ipswich gaining unitary status. Away day for Leaders and Chief Executives was held on 31/10. District Council mergers will be explored.</p> <p>Will be an output of the Governance work stream</p>	<p>The Suffolk Pathfinder project has been overtaken by the Secretary of State’s announcement that there will be a review of local government structures for the whole of Suffolk. The principal focus is now on alternative unitary arrangements across the county, although it is still necessary to maintain an overview of any shared service delivery arrangements that could be progressed in the meantime to contribute to overall savings and efficiency targets.</p> <p>The Secretary of State’s criteria for judging the effectiveness of proposed unitary arrangements includes a focus on their capacity to deliver enhanced community leadership and increased community engagement</p>
<p>Senior managers must consistently challenge actions that are not consistent with this agenda e.g. in procurement and contract letting</p>	<p>As above</p>	<p>Debated through Management Team (MT) and Heads of Service (HoS) meetings. HoS acknowledge that they must challenge and understand their role. Evidence demonstrated through the Joint Waste Partnership & the Building Control Partnership.</p>	<p>All Directors/HOS continue to promote and reinforce the message that opportunities for shared service provision must be explored notwithstanding LGR, and that there must be evidence of good reasons why that approach is not appropriate before unilateral procurement or contract arrangements are entered into.</p>

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Governance and SIG work streams need drive and impetus</p> <p>Critical Success Factors Evidence of coherent approach to shared governance and service delivery arrangements</p> <p>Efficiencies, savings and service improvements through partnership</p> <p>Efficiency targets met/ exceeded.</p>	<p>As above</p>	<p>Leaders and SCEG are the senior responsible owners for the project</p> <p>Desired outcomes to be achieved as Pathfinder develops</p>	<p>The Service Integration Group (SIG) will report to SCEG/Leaders shortly to indicate which areas of service might benefit from pursuit of a shared approach pending LGR, and which should be deferred until after LGR.</p> <p>Babergh is fully participating in discussions on shared service opportunities and has played a key role in delivering these e.g.</p> <ul style="list-style-type: none"> ▪ Legal Services Partnership ▪ Building Control Partnership <p>Babergh is actively engaged in establishing whether there is a business case to create a single Joint Waste Authority for Suffolk.</p>
<p>Significant culture change must be driven forward in all councils</p> <p>Critical Success Factors Delivery of agreed outcomes.</p>	<p>As above</p>	<p>All leaders and Suffolk Chief Executives have signed up. Embedding culture change will need ongoing commitment.</p>	<p>On-going measures to underline and explain the case for change to all staff e.g. the current round of staff meetings in April/May to explain LGR and its likely impact</p> <p>This strategic risk now needs to be redefined in the light of the Secretary of State's decision on LGR, and the associated management actions/ CSFs/ KPIs revised accordingly.</p>

Shared Services - Management Action Plan

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Develop consistent approach to management and monitoring of partnerships at officer and Member level</p> <p>Critical Success Factors Identify clear aims/outputs for each <i>shared service</i> project. Establish consistent approach to monitoring and reviewing progress by officers and Members.</p>	<p>Number of partnerships in place</p>	<p>Key PI's identified/being identified. Consistent approach to monitoring by MT and O&S Committees</p> <p>Outputs identified for those shared service projects, which proceed to Business Case stage.</p>	<p>Shared Service (Member and Officer) Boards operating with clear role to monitor and direct the service, e.g. joint waste collection contract.</p> <p>Exploring with county wide group SIG (Service Integration Group) further opportunities for shared services</p> <p>Outputs identified for those shared service projects, which proceed to Business Case stage.</p>
<p>Clear political and governance arrangements to be put in place</p> <p>Critical Success Factors Action Plan from SIG which identifies and prioritised <i>shared service</i> partnership opportunities</p>	<p>Countywide group established to identify partnership opportunities (SIG)</p>	<p>Shared service Joint Member Boards in place</p> <p>Priorities identified. Consideration of Business Cases underway. Extensive investigation work being undertaken to deliver shared services at countywide and sub-county level</p>	<p>Business Cases for specific services identified for shared service to be prepared e.g. waste collection and disposal.</p> <p>See Local Government Review risk</p>
<p>Establish training and development programme</p> <p>Critical Success Factors Development and delivery of training programme</p>	<p>Babergh Officers set annual targets, with 6 monthly appraisals, on partnership working</p>	<p>Training needs to be identified through appraisal process</p>	<p>Training needs to be identified through appraisal process</p>

Strategic Partnerships - Management Action Plan

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Review and streamline our membership of regional/sub regional groups in order our limited resources are focused on what matters</p> <p>Critical Success Factors Decision by MT/Members on which groups/issues we will focus on, and allocate resources, including officer time, accordingly</p>	<p>Babergh is a Member of a wide range of groups which determine/ influence the Regional/Sub Regional Agenda</p>	<p>Review underway. "Best practice" gathered. Scoping report/methodology being prepared.</p>	<p>Review of strategic partnerships undertaken, including assessment of impact of LGR</p> <p>Review considered and scrutinised by O&S (Community Services) Committee whose recommendations will be reported to Strategy Committee on 1 May 2008.</p> <p>Subject to decisions of Strategy Committee, possible application for all of Babergh area to be included in HGP (Haven Gateway Partnership) and possible further consideration of the strategic partnership of the SDA (Suffolk Development Agency) to take into account outcome of regional/ county wide review of this partnership.</p>
<p>Development and support for Members in their roles as members of regional/sub regional groups or as spokespeople on issues of importance to Babergh</p> <p>Critical Success Factors Clear roles, responsibilities are support mechanisms for Members and lead officers</p>	<p>Reporting and monitoring of sub regional/regional agenda to Members' Seminar, Committees</p>	<p>Officer support provided to Members.</p>	<p>Roles allocated to Members, support mechanisms in place.</p> <p>Prospect of further refinement under Review of Constitution.</p>

Political Leadership & Governance - Management Action Plan

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Review of constitution by new Council (post May 2007)</p>	<p>Political Leaders' Group (PLG) operates as a communication channel between Political Groups and between Members and Management Team. Quarterly Members' Seminars and other training events are provided to keep Members informed on key issues facing Council</p>	<p>Constitutional Review Task Group set up, membership and Terms of Reference agreed. Task Group meeting dates set - timeframe for completion to be agreed</p>	<p>Work by the Task Group commenced in November 2007, which included a preliminary review of the advantages/ disadvantages of streamlined committee arrangements versus a Leader/Cabinet model. This led the Task Group to the conclusion that there was sufficient merit in Leader/Cabinet arrangements to justify a full review. However, in December 2007, the Secretary of State announced the intention to undertake a Local Government Review (LGR) in Suffolk that called into question the wisdom and benefit of undertaking a parallel review of Babergh's own constitution.</p> <p>At a meeting on 13 February 2008, the Task Group considered a detailed risk assessment of the pros and cons of continuing with Babergh's own constitutional review pending the outcome of LGR. The Task Group considered that, on a balance of all the risks, the review of Babergh's constitution should be deferred for the time being, but the position be monitored, and the review recommence immediately if LGR does not proceed or its implementation is delayed. This recommendation was made by O&S (S) Committee and endorsed by Annual Council on 15 April 2008.</p> <p>NB Following the passage of the Local Government and Public Involvement in Health Act 2007, even if Babergh's own review had continued, it would still not be possible to move to new arrangements before May 2011 without awaited Regulations.</p>

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Critical Success Factors Fit for purpose constitution</p>		<p>Desired outcomes to be achieved as the review develops.</p>	<p>The current constitution continues to operate satisfactorily, but the O&S(S) Committee is continuing to keep these arrangements under review with a view to identifying whether any improvements could be made without formal change to an alternative constitutional structure, pending LGR</p>
<p>Comparable strength of political leadership with other (Suffolk) councils</p>		<p>Desired outcomes to be achieved as the review develops.</p>	<p>The Council's Chairman of Strategy Committee undertakes the role of principal Political Spokesperson of the Council and represents the Council in that capacity at all "Leaders" meetings with other Suffolk Councils. This arrangement will adequately protect Babergh's position pending the outcome of LGR</p>
<p>Clear community leadership</p>		<p>Desired outcomes to be achieved as the review develops.</p>	<p>This outcome is one of the clear objectives of LGR, which is therefore the route by which it is now aimed to achieve this objective.</p>
<p>Quicker decision-making</p>		<p>Desired outcomes to be achieved as the review develops.</p>	<p>The shelving of the constitution review for the time being does potentially mean that some of our decision-making arrangements will be slower than they would be under executive decision-making arrangements. However, O&S (S) Committee is looking at whether current arrangements can be streamlined e.g. by avoiding double handling between the O&S and Strategy Committees on policy formulation matters.</p>

Capacity - Management Action Plan

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Front of house satellites to be set up and run for a six month period to test the capacity of the units and the capability of staff to deal with queries outside of their normal service expertise</p> <p>Critical Success Factor Front of house integrated and responding to customers – 60% Yr 1 resolution first point of contact 80% Yr 2. more integrated back office.</p>	<p>Skills audit of key functions in relation to front of house.</p>	<p>The satellites are successfully open and receiving call traffic from the public, partners and a range of queries are being handled in depth and resolved at first point of contact.</p> <p>Current statistics indicate that the front office satellites are resolving a higher performance level than 80%. Integration amongst the satellites is improving and is on target for 2008/09.</p>	<p>A level of unmet demand emerged in the latter part of 2007, which is a risk in terms of potential fall in customer satisfaction. Additional capacity is being created by deploying more staff to the front line during peak periods, and better call management. Call routing being introduced to extend the range of staff able to answer specific enquiry threads. [e.g. Council Tax or Benefits] and the use of voicemail messaging to instigate a call back within a specified period. In the longer term increasing skills where enquiry themes overlap will also increase capacity. [e.g. rent enquiries, repair requests – Housing/Money Matters.]</p> <p>Overall average for resolution at the point of contact for 2007/08 is 81% [General enquiries 77%; Housing enquiries 88%; Planning enquiries 64%; Money Matters 94%]</p>

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Ongoing review of newly established teams within the divisions, to ensure that they are robust and that performance levels for key services are maintained and/or improved.</p> <p>Critical Success Factor KPIs improved upper quartile/customer satisfaction/positive direction of travel</p>	<p>2006 restructure of the whole Council has streamlined staffing structures and ensured that resources are targeted at emerging pressures.</p>	<p>Further reviews being done in specific areas by Service Heads as business needs change and opportunities arise.</p> <p>Performance Management arrangements well established</p> <p>Some BVPI improvements and actions agreed on outcomes of recent customer satisfaction results.</p> <p>Direction of Travel review by Audit Commission being undertaken.</p>	<p>Reviews continue in specific areas as business needs change and opportunities arise.</p> <p>Senior Management are currently preparing action plans to support the new Strategic Plan and will consider the redirection or reallocation of resources to ensure the focus is on the strategic issues facing the Council.</p> <p>Performance Management Framework well established. Senior management are setting targets against the new 2008/09 NI set and local PIs</p> <p>Senior management are setting targets against the new 2008/09 NI set and local PIs to further improve performance in priority areas, and to further improve our position when compared with others through the Direction of Travel exercise.</p> <p>2007 Direction of Travel report has been received and will be presented to O&S(S) in May. Its recommendations will be incorporated into the Council's improvement plan.</p>

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Ensure that scope is created for response at strategic level to new initiatives</p> <p>Frequent monitoring of the relevance of the OD plan to ensure it is a live document and is a proportionate response to the leadership needs of the Council including members' roles.</p> <p>Ensure succession planning for S151 and Monitoring Officer and other key roles in the Authority.</p> <p>Critical Success Factor Increased innovation and partnership working.</p> <p>Improved leadership styles/political leadership structure improved.</p>	<p>OD plan to identify and fulfil development needs of staff and members.</p>	<p>As required through Management Team (MT).</p> <p>The Head of Corporate Services and Human Resources & Organisational Development Manager to ensure that the OD Plan is regularly monitored and are to report to MT in December.</p> <p>Under ongoing review depending on what particular officers vacate posts that feed into S151 and monitoring officer.</p> <p>Pathfinder status is providing a very real driver for this.</p> <p>The Council has established a Constitutional Review group to look at political decision making models for Babergh.</p>	<p>A review has been undertaken to deal with the CD vacancy. During May, senior management will be looking to further improve its decision making process and its focus on priority areas.</p> <p>The Director of Head of Corporate Services and Human Resources & Organisational Development Manager will refresh the OD Plan following senior management's work in May.</p> <p>Vacant CD post dealt with. Deputy Monitoring Officer in place and receiving further training. Scope for Monitoring Officer role is also increasing through the Legal Services DBB (shared services) project. Discussions will be held to determine what succession planning should be in place for S151 Officer.</p> <p>LGR concepts submitted. Action and service plans being drafted.</p>

Culture - Management Action Plan

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
Strengthen communication arrangements with staff and Members	<ul style="list-style-type: none"> • Internal mechanisms to inform staff and Members of issues facing council and of need to change in response to these e.g. twice yearly MT/staff meetings; quarterly Members' Seminars • Recent structural review • OD Plan • Appraisal/PRP system 	Have been strengthened through staff briefings, information bulletins, Member seminars, Internal Communication Strategy and by canvassing staff views through MT meetings with staff in all divisions	On-going briefings as described in November 2007. Director of Corporate Services currently overseeing review of internal communications strategy. Revised appraisal system now in place.
Re-invigorate Managers/Team Leaders Forums		Will be achieved through the OD Plan.	First meeting being set up around information management issues.
Deliver OD Plan		OD Plan has been reviewed and brought up-to-date and will shortly be reviewed by the HR panel. The plan is comprehensive and includes Performance Management, the Corporate Plan, and the Managers and Team Leaders forums.	OD Plan being refreshed in light of December announcement on LGR. Leadership development courses are being researched and HR & OD Manager attending an IDeA OD Professional programme of courses. A number of the issues in the current Plan have been implemented, such as the review of PRP and partnership evaluation, and final refresh will take place following a series of senior management Away Days being held in May.
Greater, more consistent staff engagement in Corporate Plan		Comprehensive timetable and approach to the development of the Corporate plan for the next 10 years. There have been meetings held with MT, HoS and managers to identify the issues. Next stage to engage with staff to convert the issues into actions.	Strategic (former Corporate) Plan was adopted at the Annual meeting of the Council. Directors/HOS now engaged in production of 3 year medium term action plans for delivery of the Plan's priorities – target for completion June 2008. This will be undertaken in discussion with staff. This has been explained to staff in the April/May round of MT/Staff meetings.

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
Consistent approach to development of Service Plans		Has not yet been progressed. Will be picked up as a part of the review of the Performance Management Framework for 2008/09.	Service plans will be developed alongside the Strategic Plan action plans, service transformation and efficiencies Plan etc. Their objective will be to set out how we maintain and improve services whilst dealing with the Strategic Plan, improve efficiency and effectiveness, and deal with the LGR.
Review and improve individual target setting and performance management/reward		A review is under way. Review group contains representatives from all divisions. Review group to report to MT at end of December.	Review completed and training undertaken by a substantial number of appraisers. Further follow up training is necessary and is being arranged.
Critical Success factors Staff acceptance of need for change		There is increasing acknowledgement across the Council of the need for change and acceptance that change will happen. This can be demonstrated through Divisional and team meetings. Staff are now beginning to act and think differently.	As November update. Messages reinforced at April/May round of MT/Staff meetings.
Capacity of council to respond to changing demands		The structural review has created extra capacity, which has helped the Council to respond to changing demands. The re-invigoration of the Managers and Team Leaders forums will also help with this.	Further structural review at senior management level recently completed to maintain capacity at this level without filling a Corporate Director vacancy.
Capacity to engage with partners		Capacity is being created to engage with partnerships such as the Haven Gateway, Pathfinder and Local Strategic Partnerships.	Internal realignment of responsibilities, together with a review of key partnerships has assisted in focusing capacity where most needed.

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
Delivery of service improvements		Performance Indicator improvements and evidence of service improvements.	Targets are currently being set against the new NI set and will link into the Strategic Plan and the LAA. Targets are being set with reference to our priority areas and taking up recommendations from the recent Direction of Travel assessment.
Delivery of savings/efficiencies		The Council has exceeded Gershon targets. Will need further step change to continue to achieve savings and efficiencies, 3% cashable target will not be achievable otherwise.	On target to achieve savings and efficiency targets for 2008/09. Work is also starting on determining how to deal with 2009/10.
Customer satisfaction levels		User satisfaction survey showed varying satisfaction levels. Complaints handling was flagged as a significant concern.	A lot of work has been done on informal complaints handling, and a report will be presented to the Overview and Scrutiny (Community Services) Committee in July.

Financial, Performance and Risk Management - Management Action Plan

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Increased attention to member roles and structure of scrutiny arrangements in Babergh. Further strengthening of quarterly reporting arrangements</p> <p>Integrated set of business/service plans that underpin the Corporate Plan for the Council that clearly set out financial, performance and risk issues</p> <p>Critical Success Factors Set of more integrated and consistent service/business plans for the Council.</p> <p>Use of Resources improved.</p>	<p>Performance and finance information to Overview and Scrutiny committees and in circulation in divisions for corrective action.</p> <p>Corporate Plan 2007/08 as a foundation for future years.</p>	<p>Reports to O&S and MT/DMT detailing new quarterly reporting have now been agreed and a subset of key indicators has been identified.</p> <p>See Organisational Culture</p> <p>A new Corporate Plan is being prepared and will set the foundations for a service and financial planning framework for the Council.</p> <p>Awaiting the Audit Commission's 2007 assessment.</p>	<p>Arrangements for effective Financial and Performance Management, through clear target setting and appropriately focused quarterly monitoring reports in place and will be strengthened further as appropriate.</p> <p>A 10-year Strategic Plan has been approved and work is underway on a three year delivery plan that will tackle the agreed outcomes for each of the 5 corporate priorities.</p> <p>Use of Resources assessment for 2007 for Financial Management improved from level 2 (adequate) to Level 3 (Performing Well). Risk Management still assessed at level 2 but aim is to achieve level 3 for 2008 Assessment. Commencing strategic refresh of Significant Business Risks in light of Local Government Review, which will be linked to the three year delivery plan and Financial Strategy.</p>

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Constant attention to strong financial management and achieving efficiencies – both cashable and non-cashable.</p> <p>New initiatives including shared services, contracts and partnerships to be based on a business case methodology for recouping investment as a minimum, through to setting out when efficiencies will be realised</p> <p>Critical Success Factors Scope for greater innovation and partnership and cross-division comparison joint working.</p>	<p>Financial strategy and Financial management systems – linked to the policy and budget framework. Framework for achieving efficiencies and programmes to deliver required savings</p>	<p>Savings and efficiencies targets for 2007/8 & 2008/9 have been agreed and are likely to be fully met.</p> <p>Doing Business Better Initiatives / joint waste contract / shared Procurement Officer and other examples including whole life costing business case prepared to assist the decision on Hadleigh Pool.</p> <p>As part of Suffolk Pathfinder.</p>	<p>Further actions to maintain and improve Financial Management being considered in relation to the 2008 Use of Resources Assessment, including future efficiency plans and targets (see also, Comprehensive Spending Review). Efficiency and other savings for 2008/09 will be monitored as part of the quarterly reports.</p> <p>Clear Business Case approaches being applied to strategic procurement projects, including Hadleigh Community Facilities and Kingfisher expansion proposals as well as the option for introducing a third bin to increase recycling rates. Shared Services projects will be subject to the same approach.</p>

Comprehensive Spending Review - Management Action Plan

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Increased attention to national lobbying opportunities and input to the CSR as appropriate.</p> <p>Critical Success Factors: More Govt. resources provided</p>	<p>LGA lobbying on behalf Suffolk for rural/district councils. SPARSE on behalf of rural councils.</p>	<p>Lobbying by Finance Officers on 3% cashable efficiency target proposals. CSR 07 early indications are available and SFP is fully active in ensuring the financial strategy for 2008/9 and beyond is robust and enables the Council's priorities to be achieved.</p>	<p>District Councils, as expected, fared very badly in the Government's CSR 07 round with a very tight grant settlement for the next 3 years (2008/09 to 2010/11). This resulted in a cash increase in grant of only around 2% per annum on average for Babergh. Depending on other aspects of the Council's future service and financial plans, a budget gap of around £700,000 per annum is likely. This will depend on decisions on investing more money to meet corporate aims and priorities.</p>

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Constant attention to cashable and non-cashable efficiencies. Improved forward planning and monitoring.</p> <p>New initiatives including shared services/contracts/partnerships to be based on a business case methodology for recouping investment as a minimum, through to setting out when efficiencies will be realised</p> <p>Critical Success Factors Meet Govt. efficiency targets; sufficient to improve services and support overall Financial Strategy</p>	<p>Efficiency programme for the Council that returns in excess of the Gershon targets for Babergh.</p>	<p>See above and also Financial, Performance and Risk Management. Future efficiency targets now confirmed at 3% cashable per annum for next 3 years.</p> <p>See Suffolk Pathfinder/Shared services.</p> <p>Update Strategic Procurement Framework being developed that will address this.</p>	<p>The final position on Gershon efficiencies for 2007/08 will be reported to the Government in June 2008. Babergh will have significantly exceeded the total 3-year target. It is understood that some of this will count against the new 3% per annum cashable efficiency target (which is one of the Government's new National Indicators and equates to around £400,000 per annum). Notwithstanding this, it is still essential that efficiency plans for the next 3 years are developed and work is being undertaken in relation to this. The framework and approach will be reported to Members in due course, linked to this year's SFP process.</p> <p>Actions to achieve further savings from procurement, following the recent approval of the new Strategic Procurement Framework by the Council, will contribute towards the budget gap and efficiencies targets. A provisional baseline target of £50,000 per annum has been suggested, with a 'stretch' target of £100,000 per annum although this still needs Member approval. The timing and contribution towards efficiency savings from Shared Services is more uncertain given the Local Government Review position.</p>

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Agree financial strategy to keep council tax levels appropriate for our needs, avoiding capping and keeping to optimum borrowing levels for capital funding.</p> <p>Critical Success Factors Council tax levels and capital programme at optimum for policy requirements.</p> <p>Asset base and capital investment maintained effectively.</p>	<p>Medium-Term Financial Strategy</p>	<p>Meetings of SFP and Corporate Plan working group are working comprehensively towards a Financial Strategy that will support Babergh's priorities and keeps Council Tax at a level that is appropriate.</p>	<p>Members were able to adhere to the Council's recent Financial Strategy in setting the 2008/09 Budget, with a Council Tax increase of no more than inflation being delivered over the last 5 years, which is a considerable achievement. Recognised, however, that this could be more difficult to achieve in future years given the very poor Government grant announcement and the projected budget gap. The Overview & Scrutiny (Stewardship) Committee accepted that, when looking at the 2008/09 budget and the Council's future financial position, that a strategic review of the options to generate additional income (including the options relating to car parking) was a high priority.</p> <p>On the Capital programme, funding and borrowing levels, a review is being undertaken of major projects and programmes in excess of £100,000. These will be considered in the context of affordability in relation to the Council's Financial Strategy and Council Tax levels and timing/delivery in relation to the Local Government Review. This will be reported to the Strategy Committee in June.</p>

Management of Major Programmes And Projects - Management Action Plan

Required Management Action & Critical Success Factors	Position When Risk Identified	November 2007 Update	Latest position
<p>Develop prioritised, resourced timetable for all key projects/programmes</p> <p>Critical Success Factors Timetable in place, with clear outcomes from projects</p>	<p>Resources, officer and financial, allocated to specific projects with timetable for delivery</p>	<p>Allocation of resources with timetable in place for highest level major strategic projects, e.g. CAST, with Member/Officer monitoring in place. Consistent comprehensive approach to monitoring of all projects/programmes being developed.</p> <p>In place for highest level strategic partnerships. Consistent approach to all partnerships being developed.</p>	<p>Review of programmes/projects in progress to take into account impact of LGR and assess whether and which projects/programmes should be accelerated or deferred.</p> <p>Timetables established for all major projects and programmes</p>
<p>Define clear roles and responsibilities for officers/Members for each project</p> <p>Critical Success factors Clear roles and responsibilities defined</p>	<p>Roles and responsibilities for each project in place</p>	<p>Roles/responsibilities deferred for highest level major strategic projects. The role out of a consistent approach to all projects/programmes being developed.</p> <p>In place for highest level strategic partnerships. Consistent approach to all partnerships being developed.</p>	<p>Report review, referred to above, to Strategy Committee as soon as possible in order Members can decide whether and which projects/programmes should be accelerated or deferred.</p> <p>In place for highest level strategic partnerships. Consistent approach to all partnerships being developed.</p>
<p>Training/workforce development programme to be established, agreed by MT/Members and provided to all relevant officers/Members</p> <p>Critical Success Factors Delivery of agreed training plan</p>	<p>Development and training for officers/Members in place</p>	<p>Training needs to be identified through the appraisal process.</p> <p>Training needs identified through appraisal process.</p>	<p>Training needs to be identified through the appraisal process.</p> <p>Training needs identified through appraisal process.</p>