Wolverhampton City Council

OPEN INFORMATION ITEM

Audit Committee

Date 15 April 2013

Originating Service Group(s)	**Education and Enterprise**
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Title/Subject Matter	Education and Enterprise Directorate – Risk Management and Governance

SUMMARY

Audit Committee is recommended to note the assurance measures being provided by the Education and Enterprise Directorate to mitigate current risks.

1. PURPOSE

1.1 To set out for Audit Committee the key high level risks facing the Education and Enterprise directorate and how they are being addressed

2. DETAILS

2.1 The Assurance Framework is a key element in the Council's system of internal control and is designed to identify, evaluate the impact of and manage the high-level risks to the delivery of the Corporate Objectives

2.2 The high-level risks outlined in the Framework have been identified by the Strategic Director and lead Officers for each of the principal objectives.

2.3 It should be noted, in line with best practice guidance, that:

- high-level risks should cover the full range of principal objectives
- these are risks that are likely to require ongoing control and are unlikely to be fully resolved
- the Assurance Framework is not a detailed risk register – it is intended to reflect most significant risks facing the organisation – the details of all risks identified are reported in Service Group and other operational risk registers.

2.4 All Directorates maintain operational risk registers that summarise the risks to the achievement of directorate objectives. This process ensures that risks are captured and monitored and that appropriate actions are taken to manage them within individual service areas.

2.5 Where operational risks become so entrenched or so severe as to pose a threat to the achievement of the Corporate Objectives there is a process by which they can be escalated for inclusion on the Assurance Framework.

3. FINANCIAL IMPLICATIONS

3.1 The financial implications in the management of the Risks are individually identified in the Risk Control plans. [JJ/04042013/H]

4. LEGAL IMPLICATIONS

4.1 The legal implications in the management of the Risks are individually identified in the Risk Control plans. [MW/28032013/W]

5. EQUALITY IMPLICATIONS

5.1 The equality implications in the management of the Risks are individually identified in the Risk Control plans.

6. **ENVIRONMENTAL IMPLICATIONS**

6.1 The environmental implications in the management of the Risks are individually identified in the Risk Control plans.

Education and Enterprise Directorate - Review of Risk Management & Governance Arrangements

Key Issues	Summary of Responses
What are the key functions that the service is required to deliver?	**Regeneration** • Transportation • Planning • Regulatory Services • Physical Regeneration • Housing • Performance and Service Support **Schools, Skills & Learning** • School Intervention, Support & Challenge • School Organisation & Development • School Funding & Financial Planning • School & Pupil Services • Skill Development • Adult Education **Partnerships, Economy & Culture** • Wolverhampton Partnership • Economic Partnerships & Investment • Communications & Marketing • Neighbourhood Partnerships • Entertainment & Events • Culture, Arts & Heritage **Major Projects** • Decent Homes Programme • Canal Side Quarter Regeneration • City Centre Regeneration • Targeted Asset Disposal • Bilston Centre Regeneration • Building Schools for the Future • Wilkinson Primary New Build • i54

Key Issues	Summary of Responses
What arrangements are in place to ensure that key functions are properly delivered?	Key projects/initiatives are subject to detailed delivery plans which are regularly reviewed and progress reported to the Corporate Programme Office. Part of the delivery mechanisms followed includes Risk Workshops at appropriate points through the life of the projects. In respect to core functions Service Plans are used to effectively plan the delivery of key services and ensure that there are links to key corporate priorities where applicable. Service Plans are monitored on a quarterly basis through divisional management team arrangements, and more frequently by Service Managers/Assistant Directors where appropriate.
What are the main risks that the service group has to manage and how are these risks being managed?	For an overview of the main risks affecting the service this year please see below. Each service area also completes within their Service Plans a more detailed register of all key risks affecting their service area and the mitigating actions to be taken. In addition to this, as part of the service plan monitoring process service managers identify specific risks to achieving targets on an on-going basis and report these and identify mitigating actions.
What external assurance is available e.g. external inspection reports?	An annual audit programme is agreed with Audit Services and a programme of Risk Workshops with the Head of Risk Management and Insurance. Different areas of service have also been subjected to formal inspection/audit assessment i.e. Adult Education – Ofsted – good results. In all cases the respective Assistant Directors/divisional management teams are responsible for progressing any recommendations/actions.
What significant problems have occurred in the past year and what arrangements have been made to avoid such problems reoccurring?	There have been some issues of capacity to deliver. We have reorganised the whole Directorate to ensure that resources are aligned to priorities. In the short term we have also brought in some additional capacity.

ASSURANCE FRAMEWORK REPORT

EDUCATION AND ENTERPRISE DIRECTORATE

Principal Objective	Areas of Risk	Assurance
Life chances for young people (Corporate Risk)	Failure to meet the educational needs of young people and provide them with post-education opportunities Potential for long-term inequalities in our communities: Lack of employment opportunities leading to poorer mental health, increase in NEETs, loss of community cohesion. Possible increase in substance misuse and mental health issues.	Strengthening of skills responsiveness – additional posts approved and positions filled. Dialogue beginning between headteachers and business leaders – measurable outcomes from initial dialogue Targeted challenge re school improvement and improved outcomes monitored by SSL management team
Increase in employment (Corporate Risk)	Increase in NEETs. Increase in young people leaving the City. Loss of community cohesion. Increased future costs. Increased demand for services	Strengthening of skills responsiveness – additional posts approved and positions filled. Dialogue beginning between headteachers and business leaders – measurable outcomes from initial dialogue Targeted challenge re school improvement and improved outcomes monitored by SSL management team

ASSURANCE FRAMEWORK REPORT

EDUCATION AND ENTERPRISE DIRECTORATE

Principal Objective	Areas of Risk	Assurance
Secure partnership working with schools	Uncertainty on nature of partnership External sponsorship of academies Understanding of "challenge" around outcomes	Embedding partnership working Brokerage of local solutions for academy sponsorship
Asset Management and Planning (Corporate Risk)	Continued use of unsuitable buildings Retention of unsuitable buildings Increased expenditure and reduction of opportunities Quality of services impacted due to 'less than perfect' environments	Concept of Corporate Landlord is being progressed through the establishment of a Strategic Property Board and a Property Delivery Board
City Centre Regeneration (Corporate Risk)	Any further significant down turn in economic conditions will impact on the availability of private or public sector revenue and capital to deliver investment and redevelopment	This is limited having regard to the risk but the focus has to be ensuring as far as practicable that proposed regeneration schemes in the City Centre are delivered. This is done by; • Clear project plan with accountability through AD – Regeneration and multi-disciplinary project team • Actions set out in the Project Plan and the strategic direction and key decisions agreed through Cabinet reports.

ASSURANCE FRAMEWORK REPORT

EDUCATION AND ENTERPRISE DIRECTORATE

Principal Objective	Areas of Risk	Assurance
Bilston Centre Regeneration	That market conditions prevent the viable delivery of new housing & employment uses given scale of development risk.	Clear project plan with accountability through AD – Regeneration and multi-disciplinary project team Individual workstreams to scope and resolve any potential issues Actions set out in the Project Plan and the strategic direction and key decisions agreed through Cabinet reports.
i54 and Black Country Enterprise Zone	Delivery of the infrastructure works on time and to budget. Local authorities / LEP(s) unable to agree on use of future i54 business rates to reimburse WCC and SCC for infrastructure costs Failure to maximise the employment opportunities and supply chain investments associated with the JLR development	Clear project plan with accountability through Strategic Director – Education & Enterprise and multi-disciplinary project team Actions set out in the Project Plan and the strategic direction and key decisions agreed through Cabinet reports. Partnership working on skills and employment in place A sub-group for supply chain that includes JLR representation has been established. Wolverhampton FIND IT acts as the procurement portal for all contracts (a condition built into all top tier supplier contracts with JLR). Meet the Buyer events take place when new top tier suppliers are awarded contracts. Next event to taking place April 2013

ASSURANCE FRAMEWORK REPORT

EDUCATION AND ENTERPRISE DIRECTORATE

Principal Objective	Areas of Risk	Assurance
Reduce the Perception of Crime in the City (Corporate Risk)	Negative public image of the City as viewed as 'unsafe' Adverse effect on business and retail activity Restriction on growth	A series of Wolverhampton promotional campaigns in place. This includes a partnership campaign in the lead up to Christmas, delivered through a Partnership Task Group chaired by Assistant Director Partnerships Economy and Culture. A strategic marketing plan is being developed for the city and wider Black Country. Key stakeholders at city and Black Country level involved. Marketing plan to be completed by July 2013 and will from part of the Black Country Local Enterprise Partnership Growth Plan