

Appendix 1 (Revised): Analysis of Financial Approach to Risks

The following table incorporates the financial approach to manage the major financial risks facing the Council summarised from the Corporate Risk Register updated in November 2013.

	Named Risk and Summary of Key Elements of Risk	Key Actions and Any Relevant Financial Treatment or Implications for MTFS
1	abc Transformation Programme - Failure to align the "Better Council" and "Bolder Coventry" elements of the transformation programme and achieve buy-in throughout the organisation resulting in non-achievement of financial and non-financial benefits.	The Programme's benefit tracker will be reviewed to check that it is fit for purpose. All roles and resourcing of teams (internal and external) will be identified to take forward the design and implementation elements of all projects that are approved.
2	Transformation Programme People* - Failure to deliver a single transformation programme which is fit for purpose and meets financial savings on the basis of supporting the most vulnerable and continuous improvement.	Ensure that data is sufficiently robust to measure transformation programme impact and identify where savings, efficiencies, improvements and changes are being delivered. Resource the Programme in Years 2 & 3 to deliver the change. Ensure that focus is given to identifying saving proposals across the People Directorate to meet target savings.
3	Establishing a Sustainable People Directorate* - Failure to meet key Directorate targets and deliver robustly against regulatory frameworks.	To take action to safely reduce the number of Looked After Children (LAC). To ensure that a robust performance management framework is in place to measure the sustainability/effectiveness of a People Directorate.
4	Finance - Inability to deliver a balanced budget in the short and medium term.	This strategy incorporates the measures that will enable us to balance our medium term programmes, in particular the delivery of the abc Transformation Programme. The Pre-Budget Report will be taken to Cabinet on 10th December.
5	Failure to safeguard or protect vulnerable children, young people and adults* - A child, young person or vulnerable adult experiences abuse or neglect leading to significant harm or death and the Council and its statutory partners or commissioned services are deemed to have failed to safeguard or protect.	Implement action plans from Serious Case Reviews and Serious Adult Reviews. Re-invigoration of quality assurance framework around social work cases in all teams. Raise awareness Council employees of signs of risk to children, young people and vulnerable adults. Ensure continued commitment and engagement from partners in the city in having robust arrangements in place to deal with allegations of abuse and neglect. To ensure that the impact of proposed changes in service delivery specifically consider the risk in relation to safeguarding. Ensure appropriate core funding within existing budgets and where it is demonstrated that further financial support is required to mitigate risks then factor this into financial plans.
6	Equal Pay - Uncertainty around the unknown level of liability and the on-going litigation on pay protection.	Large majority of claims now either settled or withdrawn. TU appeal regarding pay protection now withdrawn, all claims by claimants represented by Solicitors managed and any remaining Litigants in Person will be asked by the Employment Tribunal if they wish to pursue their pay protection claims. The Council has set aside a reduced provision of £15m to meet any potential successful future claims.

7	Coventry fails to provide a high quality education for its children - Coventry school(s) for which the Local Authority is responsible go into special measures or are otherwise proven to be inadequate.	To focus support for underachieving groups. To implement the School Improvement Strategy. To deliver a self-supporting school to school model. No specific financial implications beyond need to ensure adequate funding of core budgets.
8	Welfare Reform - The Council fails to consider and manage the impact that Welfare Reform will have both on its key stakeholders, (i.e. employees, vulnerable residents) as well as the Council as a whole (i.e. funding, demand for services).	To determine which services may be affected Welfare Reform changes, assess the impact on them and investigate options for responding to pressures. To look at the wider impacts of poverty across the City and co-ordinate discretionary support provided across the Council. Assess the financial impact that the changes will have on specific services, investigating any requirement to respond to pressures identified.
9	ACL/Coventry City Football Club - The value of the Council's shareholding in Arena Coventry Limited (ACL) is impacted upon by the position of Coventry City Football Club (CCFC) and could lead to reputational issues.	The Council's action to refinance the ACL loan arrangement has protected the Council's shareholding in ACL. The ACL Board includes representation from senior Council officers in capacity as Directors. The Council is managing its shareholding interest through regular review of the current status of events at SMB and Member level through the establishment of the ACL Shareholders Panel. The ACL Shareholders Panel receives updates on the actions being taken by ACL to develop its business in areas which are not reliant on Coventry City Football Club Ltd. The Panel is also considering the future strategic direction for the Arena in its capacity as a 50% shareholder.
10	NUCKLE Project - The risk that changes to the original scheme design do not meet funding bodies' criteria, the scheme is not funded and the objectives of the NUCKLE Project are not achieved.	Work continuing with partners to develop operating costs, finalise level of train service and agree a risk share proportion. Effective engagement with Scheme Sponsor and design team. Project team working with partners to revise scheme packaging to enable maximised impact of higher priority spend areas.
11	City Deal and Economic Growth - Failure to facilitate the conditions to grow jobs, the economy and business rates in the City.	CWLEP growth plan in place. City Deal in the process of being negotiated with Government. Governance structure in place to engage with public and private sector partners to develop the content of the City Deal. Council's medium term financial strategy includes £50m investment facility. Abc programme developing proposals through A60 strategic property and A58 strategic regeneration, to grow business rates and kickstart.

* These 3 risks have been reviewed / refreshed in response to the creation of the People Directorate