

**Agenda Item No:** 8  
**Report To:** **AUDIT COMMITTEE**

**Date:** **27 JUNE 2013**

**Report Title:** **Strategic Risk Review – Effective Workforce Planning**

**Report Author:** Deputy Chief Executive (covering summary) and  
Head of Personnel and Development



**Summary:**

The Audit Committee has the governance responsibility to oversee risk management and to ensure the council's approach is robust so risks to it achieving important objectives are understood, evaluated and that suitable mitigation plans are in place.

At the informal meeting in April members considered our external auditor's national research findings on governance and risk management, and in particular issues about the role of audit committees.

One of members' conclusions was the Audit Committee should more routinely have oversight of individual risks. Workforce planning is one of our strategic risks and this may seem to provide an opportunity to discuss its background and the mitigation plan. The Head of Personnel and Development will be present for this item.

**Key Decision:** Not applicable

**Affected Wards:** None specifically

**Recommendations:** **The Audit Committee is asked to consider the workforce planning strategic risk.**

**Policy Overview:** The management of strategic risk is an important part of our overall governance and focuses on assisting the council to achieve its core priorities.

**Financial Implications:** None arising from this report

**Risk Assessment** The whole report is about risk management

**Equalities Impact Assessment** Not applicable

**Other Material Implications:** None

**Background Papers:** None

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**Report Title: Strategic Risk Review –  
Effective Workforce Planning**

**Introduction**

1. The Audit Committee has the governance responsibility to oversee risk management and to ensure the council's approach is robust so risks to it achieving important objectives are understood, evaluated and that suitable mitigation plans are in place.
2. Last year the risk management approach was updated. This had support from our risk management advisers (Zurich Municipal) and from the management team and members, including the Audit Committee.
3. The work resulted in an updated set of strategic risks and associated mitigation plans. Cabinet approved these last November and the Audit Committee considered the plans again at its last formal meeting in March.
4. At the informal meeting in April members considered our external auditor's national research findings on governance and risk management, and in particular issues about the role of audit committees. One of members' conclusions was the Audit Committee should more routinely have oversight of individual risks so the committee may play a more direct role in contributing to helping the council achieve its priorities. Members' recommended that fuller discussion of each strategic risk take place over the course of the annual cycle.
5. This meeting will consider the plan associated with the strategic risk of upholding development of effective workforce planning.

**Background to the 'workforce planning' strategic risk**

6. This is one of the strategic risks considered important to include in the council's strategic risk register. Risks placed in the register resulted from a review in 2012 carried out by senior managers and members, aided by our risk management advisers, Zurich Municipal.
7. Workshops and one-to-one discussions aimed at highlighting common agreement about risks that could affect delivery of the council's core priorities.
8. Risks were identified using a framework that invited consideration against external and internal influences (for example: political, economic, social, citizen focused, legislative, managerial, physical etc).
9. Once identified risks were assessed using an approach to consider likelihoods and impacts using varying scales.
10. Once a risk was assessed it was placed on 'the risk matrix' – a two-dimensional chart summarising an agreed position for each risk.

11. Risk that fall below a certain threshold (an agreed tolerance) are not taken forward as strategic risks for action planning and overseeing, but remain as risks for management to consider.
12. Against the backcloth of achieving its critical objectives during a challenging period of time for this and all councils, upholding effective workforce planning was an agreed strategic risk.
13. Although this council has good workforce management arrangements and up-to date policies, and enjoys good employer and employee working relations, nevertheless there are risks.
14. In our aim to develop cultures and supporting staff abilities that are flexible and to respond to demand-led service change, with greater efficiency and speed, the workforce risk was documented as:
15. "The council needs to develop a more flexible workforce and in doing so assess what skills are required to meet current and future needs. It also needs to avoid being over reliant on key managers and staff who are responsible for leading the delivery and implementation of the councils strategic plan [and the change programme]".
16. Management Team and members considered workforce risk plan should focus on two issues:
  - Succession planning and developing a strategic response to this need
  - Building a greater generic method operation to deliver important 'best service resources allow' business plan priorities
17. The Head of Personnel and Development owns this risk and will be present at the meeting to discuss the plan.

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