

AUDIT COMMITTEE

22 MARCH 2012

REPORT OF HEAD OF RESOURCE MANAGEMENT

A.3 UPDATE OF STRATEGIC RISK MANAGEMENT STRATEGY

(Report prepared by Karen Neath)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide the Audit Committee with an update on the Council's Risk Management Strategy, Strategic Risk Register and Management Action Plans.

EXECUTIVE SUMMARY

This report sets out details of the annual review of the Council's risk management arrangements. It is proposed that there are four amendments to risks. The Management Action Plans identify progress made in managing strategic risks to 24th February 2012 and also identify future actions for the 2012/13 year, to manage downward the risks that are still considered to be at an unacceptable level.

RECOMMENDATION(S)

- (a) That the Audit Committee notes both the progress made to 24th February 2012 and the future actions developed to manage the strategic risks impacting on the Council, as set out in the Appendices.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Risk assessment, monitoring and control forms the central tool for managing the strategic risks that may prevent the Council achieving the corporate priorities set out in our Corporate Plan.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The risk management action identified can be delivered within existing budgets.

Risk

The subject of risk and how this will be managed is set out in the body of the report.

LEGAL

There are no specific legal implications.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

There are no other direct implications.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

At its meeting on 24th March 2011, the Committee noted the progress made in relation to the management of the strategic risks impacting on the Council. The Risk Management Strategy sets out the Council's framework for its approach to risk management, including the reviewing and reporting arrangements. The Register provides a key business planning tool to identify, analyse and prioritise those risks that may affect the ability of the Council to achieve its corporate objectives. The Register also identifies those risks that are above the Council's 'risk tolerance line', i.e. those risks where existing controls are not sufficient to manage them to an acceptable level and further controls are required. For these risks management actions to reduce the risk have been identified.

It is normal practice to provide a six monthly update to the Committee. However, given the reorganisation that has been taking place across the council no report was provided to the Committee in September 2011. The opportunity is being taken as part of the staff reorganisation and departmental fundamental reviews to re-examine the way that risk management is undertaken within the authority. The aim is to build the strategic risk register much more comprehensively from the individual departmental risks and also to link the whole process more closely to the audit work plan. Unfortunately it has not been possible to do this in time for the March meeting of the Committee and the appendices are therefore presented in the established format. It is hoped that a revised approach can be presented to the September 2012 meeting.

CURRENT POSITION

The review has resulted in the following amendments to the Strategic Risk Register.

Risk 6 –Increasing workforce age profile

This has been removed following the council reorganisation. A number of more mature staff have left the organisation as a result of the restructure. Once the restructure has been completed across all departments the workforce age profile can be reviewed to determine whether this poses any further risk.

Risk 12 – Unable to fund the financial forecast

This risk has been reduced from A1 to C1. The council has substantially achieved its savings target up to 2014/15 and has agreed a balanced budget for 2012/13. The rating of this risk will need to be kept under review as it expected that there will be further reductions in public sector funding for 2015/16 and 2016/17 and there are fundamental changes to the core funding mechanisms for 2013/14.

Risk 24 – Inter Authority Agreement for the Essex Waste Partnership Strategy Programme

This risk has been removed following agreement on the IAA arrangements as part of implementing a new Waste and Recycling contract.

Risk 27 – Housing Revenue Account business plan becomes unaffordable

This risk has been removed following agreement of the 2012/13 HRA budget and 30 year business plan which shows that a sustainable position is achievable.

An updated version of the Risk Management Strategy is attached at Appendix A and the Strategic Risk Register incorporating the proposed changes is attached at Appendix B.

Appendix C sets out the Management Action Plans and includes progress on managing risks to 24th February 2012.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Risk Strategy

Appendix B – Risk Register

Appendix C- Management Action Plans

Tendring District Council

Risk Management Strategy

March 2012

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1 Introduction

The risk environment

The 21st century council is required to use creative and innovative solutions to deliver its community's aspirations. With innovation comes risk and the only way to ensure successful innovation is to manage that risk.

Tendring District Council has long recognised the role of risk management in making the right decisions to achieve our priorities for improvement. This Risk Management Strategy is a product of the ongoing improvement agenda in our governance.

What is 'corporate governance', 'risk management' and 'internal control'?

As Figure 1.0 sets out, risk management is not corporate governance and internal control is not risk management. Rather, they are subsets of each other.

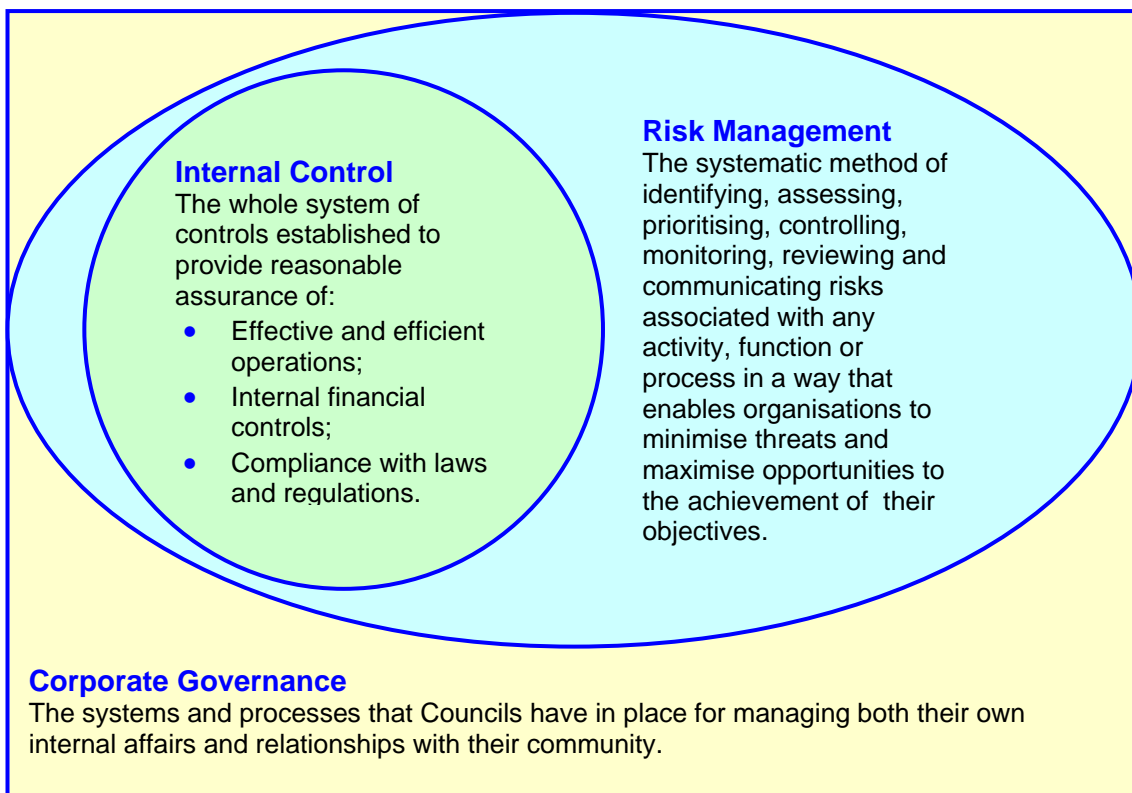


Figure 1.0: Corporate governance, risk management and internal control unravelled.

This Strategy brings together the policy and framework that define our approach and sets out clear roles and responsibilities for its delivery.

2 Risk Management Policy Statement

The Council acknowledges the key role that risk management plays in better informed decision making and the process of achieving our vision and corporate priorities. We recognise that risk management is the agent of change and it enables us to make the most of opportunities to improve and to achieve successful change and outcomes.

It is therefore our policy that:-

The Council is fully committed to effective risk management and adopting best practices in the identification, evaluation and cost-effective control of risks.

Risk management objectives

The Council's risk management objectives are to:-

- ✧ Integrate risk management into the culture of the Council;
- ✧ Manage risk in accordance with best practice;
- ✧ Eliminate or reduce risks to an acceptable level;
- ✧ Anticipate and respond to changing social, environmental and legislative requirements;
- ✧ Prevent injury and damage and reduce the cost of risk; and
- ✧ Raise awareness of the need for risk management.

Delivery of risk management objectives

These objectives will be achieved by:-

- ✧ Establishing clear roles, responsibilities and reporting lines within the Council for risk management;
- ✧ Using the principles of risk management to integrate financial and improvement policies;
- ✧ Maintaining and monitoring the arrangements for identifying, assessing and managing strategic risks that may impact on the Council;
- ✧ Incorporating into departmental plans the identification, assessment, management and monitoring of operational risks that may affect the achievement of departmental objectives;
- ✧ Maintaining a business continuity plan for the Council;
- ✧ Providing opportunities for shared learning on risk management across the Council.

3 Risk Management Framework

Roles and responsibilities

The Council's approach to risk management is that it must be addressed on an integrated basis with everyone having roles and responsibilities. These roles and responsibilities are detailed below and summarised in Table 1.0.

Members

The Audit Committee will agree the Risk Management Strategy and the Strategic Risk Register and any subsequent amendments from their annual review. The Customer and Central Services Portfolio Holder has responsibility for risk management and will actively champion risk management at Member level.

Management Team

The Council's Management Team has identified the key strategic risks set out in the Strategic Risk Register and will continue to lead in identifying and managing risks and opportunities. The Team will recommend to Members any amendments required to this Strategy or the Strategic Risk Register and will determine which Head of Department has responsibility for championing risk management at officer level.

Lead Head of Department

The Lead Head of Department will have responsibility for championing risk management.

The duties of the Lead Head of Department will include:-

- Annually reviewing this Strategy and the Strategic Risk Register to ensure both are adequate and up to date, and recommending any changes to the Management Team;
- Reviewing progress of the Strategic Risk Management Action Plans and providing the Management Team with a summary report, including the Strategic Risk Register updated to reflect such progress; and
- Providing opportunities for shared learning on risk management across the Council; and

All Heads of Department

Heads of Department will be responsible for implementing the corporate principles and arrangements for risk management within their own departments. This will include:-

- Developing and implementing management action plans for strategic risks where they are designated as 'Lead Head of Department' and, where appropriate, delegating responsibility for the management of individual risks; and

- Developing and reviewing operational risk registers and management action plans for their departments through the department planning process and assigning responsibility for managing those operational risks.

Head of Resource Management

The Head of Resource Management is responsible for the management of financial risk and has overall responsibility for the Council's internal audit function, the management of risk in procurement across the Council and for ensuring that the Council acts lawfully and fairly.

Head of Corporate Services

The Head of Corporate Services is responsible for the management of risk to the reputation of the Council and for the management of the Council's emergency planning function, ensuring adequate plans are developed to enable the continuity of the Council's functions in the event of an emergency.

All Employees

In addition to carrying out risk management tasks delegated to them, all employees should take all reasonable steps to manage risk effectively in their jobs and to make themselves aware of risk management issues.

	Risk Management Strategy	Strategic Risk	Operational Risk	Reporting to External Stakeholders
Members	Agreeing Strategy and subsequent amendments	Agreeing Register and amendments		Agreeing annual review of Code of Corporate Governance
Audit Committee	Responsible for risk management at Member level.			
Management Team	Agreeing draft strategy and amendments for recommending to Members.	Agreeing draft Register and amendments for recommending to Members.		
Lead Head of Department	Annual review of strategy and recommending any changes to MBrd	Annual review of Register and recommending any changes to MBrd. 6-monthly review and report to MBrd on progress of MAP's.		
All Heads of Department	Implementing strategy	Implementing Management Action Plans where designated as lead officer and delegating responsibility for individual risks. Monitoring progress on MAPs.	Development and annual review of registers during service planning process. Assigning responsibilities for controlling risks in service Management Action Plans. Monitoring progress in MAPs.	
Head of Resource Management	Lead on management of financial risk and overall responsibility for internal audit function. Lead on the incorporation of good risk management practice in procurement across the Council Lead on Statement of Internal Control. Responsible for lawfulness and fairness of risk management arrangements and the discharge of those arrangements. Lead on Annual Governance Statement.			
Head of Corporate Services	Responsible for the management of the Council's emergency planning function, ensuring adequate plans are developed to enable the continuity of the Council's functions in the event of an emergency. Leading on management of reputational risk, including development and review of media strategy.			
All Employees	Responsible for taking all reasonable steps to manage risk effectively in their jobs and to make themselves aware of risk management issues.			

Table 1.0: Roles and Responsibilities within Tendring's Risk Management Framework

The framework

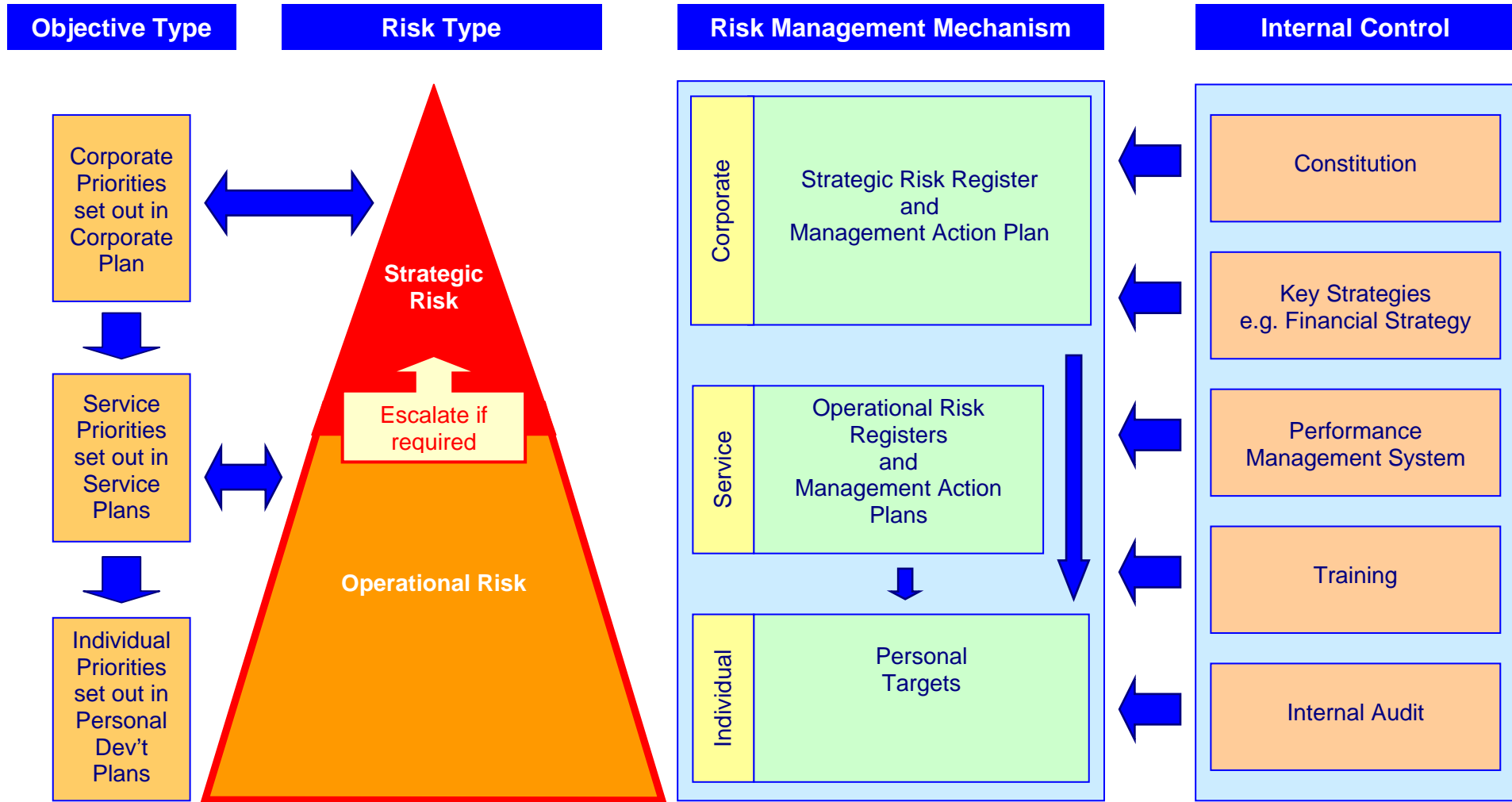
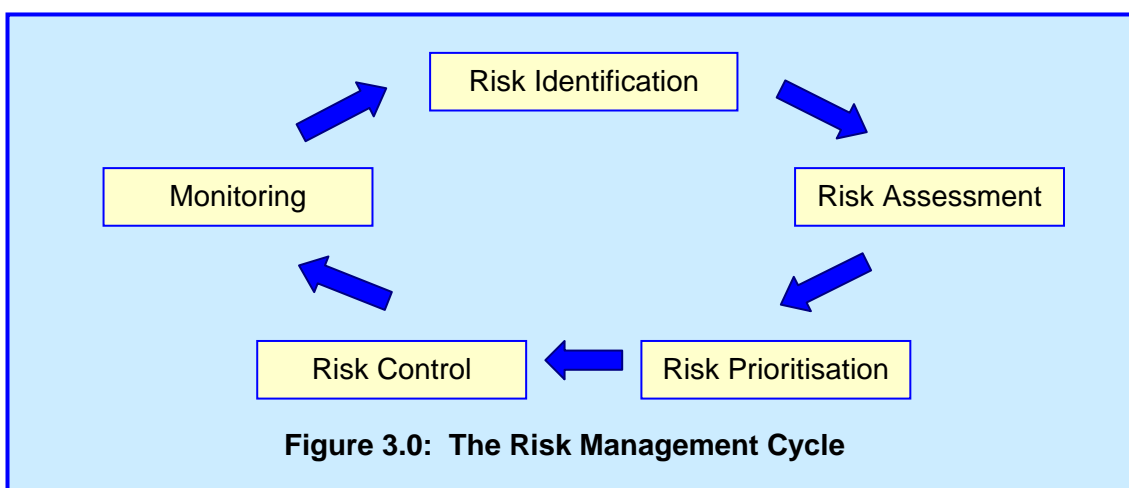


Figure 2.0: Tendring's Risk Management and Internal Control Framework

The Strategic Risk Register and Management Action Plan

“Strategic Risks” are those threats that could lead to a failure of an organisation to achieve its corporate objectives which are not addressed in other strategies or plans, or those opportunities (with risks attached) which if exploited could offer an improved way of achieving corporate objectives. The long-term priorities for Tendring District Council are set out in our Corporate Plan for 2009 to 2016.

The Council’s approach to managing strategic risk is summarised in Figure 3.0 and detailed below. The stages set out in the risk management cycle at Figure 3.0 also provide a common approach to the management of operational risk considered in the next section of this Strategy.



Risk identification

The Council has identified the strategic risks that may impact on us achieving our corporate priorities as set out in our Corporate Plan.

Risk assessment

The identified risks have been assessed, setting out for each risk:-

- The vulnerability that gives rise to the risk;
- The trigger for that risk occurring; and
- The consequences if that risk occurs.

The likelihood and potential impact of each of the risks have also been assessed. The standardised categories used for this are set out in the Annex to this Strategy.

Risk Prioritisation

The assessed or ‘rated’ risks are plotted on a matrix according to their likelihood and potential impact to provide a strategic ‘risk profile’ for the Council. The top risks

facing the Council appear in the top right corner of the matrix going down to the lowest risks in the bottom corner of the matrix. The Management Team has determined, having regard to management controls already in place, which risks it is prepared to tolerate and which require further management. The boundary between acceptable and non-acceptable risks is identified by the Risk Tolerance Line. Figure 4 shows the risk profile matrix and the Risk Tolerance Line.

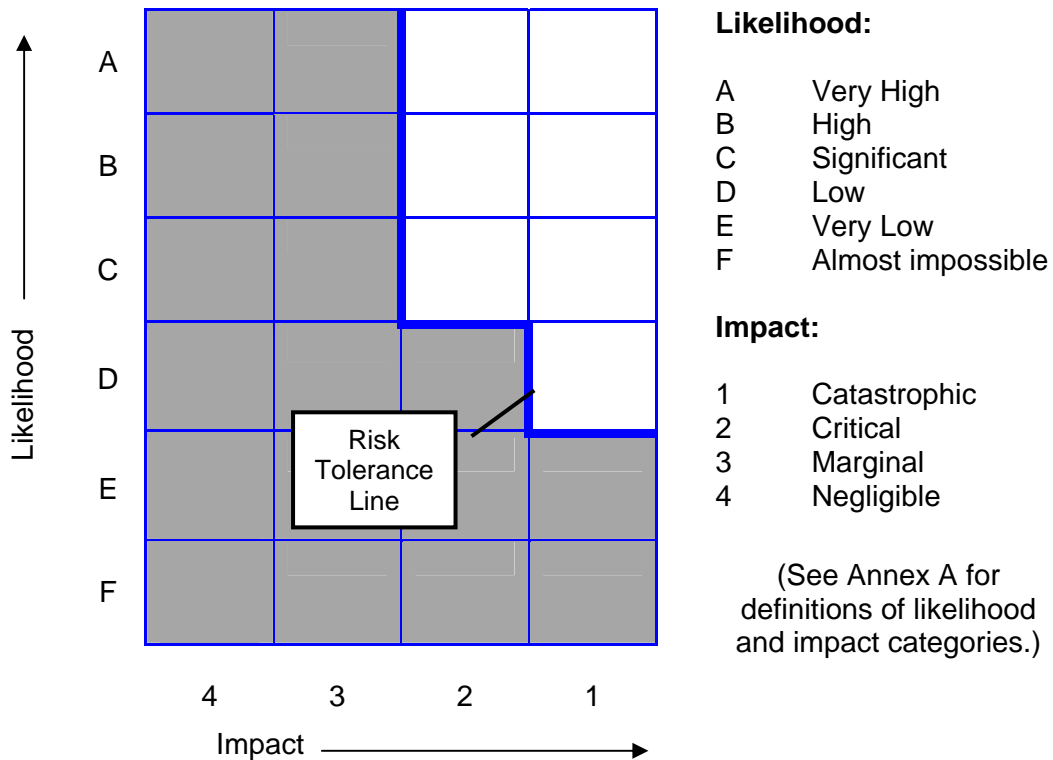


Figure 4.0: Strategic Risk Profile for the Council

All identified risks are set out in the Strategic Risk Register (Appendix B)

Risk control (action planning)

Those risks rated above the Board’s agreed level of tolerance have a Management Action Plan (MAP) (Appendix C).

Monitoring and review

Monitoring of MAP’s for strategic risk will be carried out on a monthly basis by services, with a six-monthly report on progress provided by heads of department to the Lead Head of Department. They will review this progress and provide the Audit Committee with a summary report.

The Strategic Risk Register will be reviewed on an annual basis. Recommendations for any changes to the Register will be provided for the Audit Committee’s consideration.

Operational risk registers and management action plans

The same risk management principles are applied in the department planning process to manage any operational risks that may prevent individual departments achieving their objectives and their contributions to the Council's corporate priorities. The key features of this process are:-

- **Risk identification:** the department's SWOT analysis is used as a starting point to identify the risk scenarios facing the department;
- **Risk assessment:** the standardised risk assessment categories are applied;
- **Risk Prioritisation:** the 'Risk Tolerance Line' is pre-set at that determined by the Management Board for strategic risks;
- **Risk Control:** identical to arrangements for strategic risks; and
- **Monitoring and review:** monitoring is carried out within the department and review forms part of the annual department planning process.

4 Internal control

The Council has governance arrangements as shown in Figure 2.0. “Internal control” is the system of controls, financial and otherwise, that provide assurance of:-

- Effective and efficient operations
- Internal financial controls
- Compliance with laws and regulations.

The Constitution

The Council’s constitution sets out how the Council operates, how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to local people. The Constitution includes the Council’s scheme of delegation that sets out clear lines of responsibility for each of the Council’s functions including delegation to the Cabinet, portfolio holders, committees and officers. It also includes the procedure rules, with detailed rules for the operation of the Council’s business including Financial Procedure Rules and Procurement Procedure Rules.

Key strategies and policies

Financial Strategy

The Council’s five-year financial strategy controls how far the Council can go and the speed of progress towards the achievement of its aims.

Human Resources Strategy

The Human Resources Strategy focuses on improving and maintaining good people management policies and practices, and on developing Members, staff and managers. The Strategy together with the Workforce Development Plan address the key people risks facing the Council including managing changing skill requirements, recruiting and retaining quality staff, and managing pay and reward structures.

Procurement Strategy

The Council’s Procurement Strategy recognises the need for different approaches for high risk, high value procurement against low risk, low value procurement. The Council provides comprehensive guidance to all services on best practice in selecting the right procurement solution based on sound risk management principles.

Communications Strategies

The external Communications and Consultations Strategy includes the role of the Communications Manager in managing reputational risk.

The Council’s internal Communications Strategy provides an improved framework for raising awareness of risk management throughout the organisation.

Health and Safety Policy

The Health and Safety Policy sets out our arrangements for managing health and safety risks, including the roles and responsibilities of both Members and officers, together with detailed arrangements for incident reporting and risk assessment.

Peace Time Emergency Plan

The Council's Peace Time Emergency Plan sets out our arrangements for minimising the impact of an emergency on the Council and our community, including arrangements for the continuity of the Council's own services.

Performance Management System

The Council has a robust performance management framework that uses a Performance Management System to report regularly to the Management Team and Members on the actions and indicators in our Corporate Indicator Set.

The Council uses the System to:-

- Inform our target setting process to minimise the risk of setting unrealistic or non-challenging targets; and
- To minimise the risk of not delivering on our targets by providing accurate and timely information on our performance.

Training

"Risk management" is one of the core competencies identified by the Improvement and Development Agency (I&DeA) that underpin an effective local authority.

We will also ensure that the right training is identified for both Members and our employees. This will be done as part of developing the individual to meet corporate objectives, and through corporate level training which identifies key training themes each year. This training will include, where appropriate, training in media relations and new developments in risk management.

Internal audit

The Council's Internal Audit Function maintains a five-year Strategic Audit Plan, which is based on a process of risk assessment covering all Council activity. The risk assessment process has regard to CIPFA good practice guidance and is undertaken to the satisfaction of the District Auditor. The internal audit activity undertaken in respect of this plan incorporates the evaluation of controls to mitigate risk and will include audit of the risk management function itself.

5 Department improvement within financial constraints

Risk assessment in financial planning

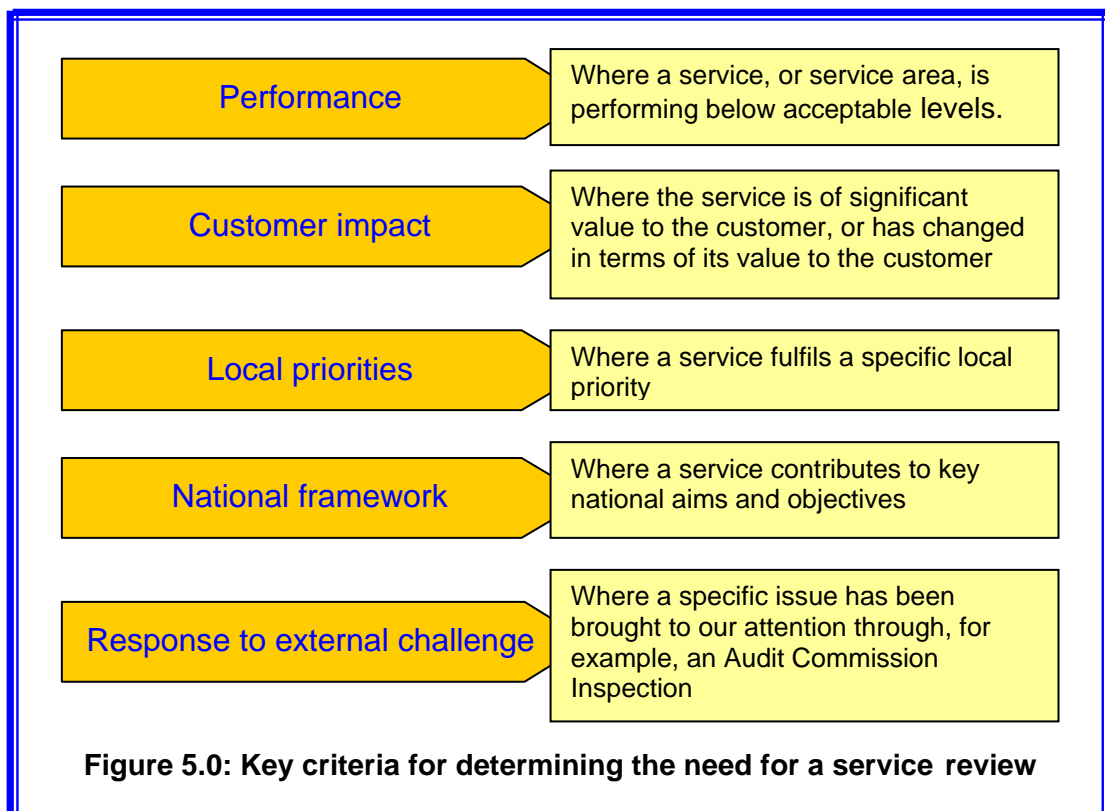
Councils are challenged to deliver improvement in times of financial constraint. In formulating its Financial Strategy, Tendring has adopted a risk assessment approach to financial planning.

A common approach has been developed to the application of risk assessment in financial planning and the management of strategic and operational risk, culminating in standardised risk assessment categories for the assessment and prioritisation of strategic risks, operational risks, cost pressures, service reductions and service improvements.

The definitions of the standardised categories focus on achieving the Council's priorities in the Corporate Plan. This allows the Council to assess cost pressures and service reductions/improvements against the same fundamental criteria. Only the cost pressures, service reductions/improvements that are critical to delivering statutory duties or key priorities will be considered for inclusion in financial forecasts.

Risk assessment and the service improvement review programme

The Council has developed a set of key criteria for determining the need for a particular service area to be reviewed, (see Figure 8.0 below).



These criteria provide a means of prioritising that reflects the potential impact of not delivering improvement. The Council has also developed different types of review process that range from a performance management review to a full value for money review. This provides a proportionate response to service improvement review that is determined by the likely risk of failure to improve in the area concerned.



Review of risk management and internal control arrangements and reporting to external stakeholders

Legal background

Tendring's strategy encompasses the legal context within which all councils are required to work.

CIPFA/SOLACE guidance "Delivering Good Governance in Local Government (Framework)"

CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society Of Local Authority Chief Executives and senior managers) have produced guidance that recommends authorities:-

- Review their existing governance arrangements against the Framework;
- Develop and maintain an up-to-date local code of governance, including arrangements for ensuring its ongoing application and effectiveness;
- Prepare a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.

The Accounts and Audit Regulations 2003

Regulation 4 of the 2003 Regulations, as amended, requires councils to:-

- Conduct a review at least once a year of the effectiveness of its systems of internal control, and to report the findings of this review to the relevant body for consideration and approval;
- Include a statement on internal control with any published:
 - statement of accounts; or
 - income and expenditure account, statement of balances or record of receipts and payments.

The CIPFA / SOLACE guidance recommends that the review of the effectiveness of the system of internal control is reported in an Annual Governance Statement.

STRATEGIC RISKS

STANDARDISED RISK ASSESSMENT CATEGORIES

IMPACT CATEGORIES (The effect of the risk if it happens)

CATEGORY		DESCRIPTION
1	Catastrophic	Failure to achieve minimum level of statutory service provision.
2	Critical	Failure to achieve one of key priorities/aims in Corporate Plan and / or significant reduction of service to minimum level of statutory provision.
3	Marginal	Minor reduction in service to minimum level of statutory provision or aim stated in the Corporate Plan substantially achieved and / or some compromise on quality of outcome
4	Negligible	No reduction in level of statutory provision of service and / or aim stated in the Corporate Plan achieved with little or no compromise on quality

LIKELIHOOD LEVELS (The likelihood of the risk occurring)

LEVEL		PROBABILITY OF RISK OCCURRING OVER THE PERIOD OF THE CORPORATE PLAN: 2009 - 2016
A	Very High	> 90%
B	High	55% - 90%
C	Significant	15% - 54%
D	Low	5% - 14%
E	Very Low	1% - 4%
F	Almost Impossible	< 1%

OPERATIONAL RISKS

STANDARDISED RISK ASSESSMENT CATEGORIES

IMPACT CATEGORIES (The effect of the risk if it happens)

CATEGORY		DESCRIPTION
1	Critical	Failure of service to achieve one of the objectives stated in its service plan.
2	Significant	Objective stated in service plan only partially achieved by service and / or quality of outcome seriously compromised
3	Marginal	Objective stated in service plan substantially achieved by service and / or some compromise on quality of outcome
4	Negligible	Objective stated in service plan achieved by service with little or no compromise on quality

LIKELIHOOD LEVELS (The likelihood of the risk occurring)

LEVEL		PROBABILITY OF RISK OCCURRING OVER THE YEAR OF THE SERVICE PLAN
A	Very High	> 90%
B	High	55% - 90%
C	Significant	15% - 54%
D	Low	5% - 14%
E	Very Low	1% - 4%
F	Almost Impossible	< 1%

STRATEGIC RISK REGISTER

Risks marked * are above tolerance and require managing

No	Rating		Lead HoD	Short name	Vulnerability	Trigger	Consequence
5	B3		Head of Corporate Services	Publicity, promotion and reputation	There is a risk that the Council does not publicise or promote itself effectively or that the action of Members or Officers results in the public losing trust and confidence in the Council.	Negative activity or publicity. Failure of the Council to adequately promote what it does.	<ul style="list-style-type: none"> • Staff morale suffers • Pressures on existing staff • Complaints outweigh compliments • Adverse public reaction • The public are not willing to engage with the Council.
7	D2		Head of Resource Management	Management skills	There is a risk that managers do not have appropriate people management skills.	Managers are unable to deal effectively with difficult people management issues.	<ul style="list-style-type: none"> • Staff frustrated • Staff feel there is a lack of support • Performance suffers • Lack of confidence in managers • Low officer morale • Issues escalate • Frequent involvement of human resources staff and unions • Increased cost of resources • Possible litigation issues • Reputation as an employer suffers
9	B2	*	Head of Life Opportunities	Insufficient affordable housing	<p>There is a risk that there is a significant shortfall of affordable housing in the district to meet existing and emerging housing needs.</p> <p>There is a risk that a stagnant housing market in the current economic climate will affect the rate at which new affordable housing developments come forward.</p>	Increased number of households in unsatisfactory housing	<ul style="list-style-type: none"> • Failure to achieve affordable housing targets in accordance with the Core Strategy • Increased Homelessness pressures including temporary housing costs • Increased overcrowding • Adverse impacts on health and education • Local people unable to access affordable housing • Local people, especially the young, unable

				<p>There is a risk that a fall in property prices will affect the viability of schemes and consequently the ability of developers to meet s.106 obligations for on site affordable provision.</p> <p>The reduction in grant and the introduction of Affordable Rent Tenancies (ART) could result in few low paid households being able to access affordable housing or housing costs take up a large proportion of household income.</p>		<p>to afford to live in the area and consequently leave</p> <ul style="list-style-type: none"> • Unsustainable communities • Lack of opportunities for first time buyers to access affordable housing • Unaffordable “affordable housing” due to introduction of the ART product
10	C3		Head of Corporate Services	Communication	<p>There is a risk that communication throughout the Council up, down and between departments is not fully effective.</p>	<p>An important piece of information is not understood by all staff with consequences</p> <ul style="list-style-type: none"> • Key messages not consistently understood across council • Misunderstandings develop • Staff feel unable to communicate up the organisation • Staff/manager relations suffer • Staff do not feel trusted or empowered • Staff feel undervalued • Morale suffers • Co-operation between staff and management worsens • Productivity falls • Services adversely affected
12	C1	*	Head of Resource Management	Unable to fund the financial forecast	<p>There is a risk that there will be an inability to fund the financial forecast due to an inadequate revenue base the severe reduction in Government support and the need to find substantial budget reductions and the forthcoming changes to the core funding of council.</p>	<p>Preparation of the financial forecast</p> <ul style="list-style-type: none"> • Future budget gaps remain • Service reductions • Staff redundancies • Cost pressures and service improvements resisted • Reserves diminished • Public complaints / campaign • Council aspirations not achieved

						<ul style="list-style-type: none"> • Local and central political conflict • Potential for capping • Not able to fund statutory obligations • Not able to fund key priorities • Potential challenge for non delivery of services 	
14	E1		Head of Resource Management	The Council fails to implement a legislative change or is unable to incorporate Government policy changes.	There is a risk that, due to the constant stream of legislation and policy documentation which the Council must be aware of and comply with, that a legislative or policy change will not be implemented.	Council fails to implement a legislative change	<ul style="list-style-type: none"> • Services are delivered in accordance with 'out-of-date' regulations • Legislative requirements breached • Practices challenged • Practices reviewed • Resources diverted to contesting challenge • Insufficient financial provision to meet claims • Effect on council tax/ reserves • Disciplinary issues • Staff morale suffers • Censure by audit/ inspection • Adverse publicity • Service intervention • Image of council damaged
15	A2	*	Head of Corporate Services	Maintenance of Council buildings	There is a risk that the Council, in challenging financial circumstances, has to have a pragmatic approach to maintenance to minimise costs which results in deteriorating assets.	Insufficient maintenance to stop property deteriorating	<ul style="list-style-type: none"> • Backlog maintenance continues to grow • Reactive maintenance higher than desired • Preventative / reactive improvements are not undertaken • Whole life costing does not occur • Inefficient use of resources / increased cost • Planned maintenance to meet minimum standards • Complaints from public / litigation • Resources diverted to defending the claim • Impact on claims history • Adverse publicity
17	D2		Head of	Partnerships	There is a risk that the Council does	Non delivery by	<ul style="list-style-type: none"> • Council service delivery objectives for

			Corporate Services		not have robust governance arrangements in place for key partnerships resulting in the partnership not delivering against the Council's priorities.	partners	<p>partnerships not realised</p> <ul style="list-style-type: none"> • Council resources are wasted • Council's role in partnership is questioned • Tensions arise within the partnership • Partnership fails • Unforeseen accountabilities and liabilities fall on the Council • Poor value for money so adverse effect on Council Tax • Adverse impact on performance • Adverse publicity
19	A1	*	Head of Public Experience	Sea defences	There is a risk that, as a coastal authority and in relation to climate change issues, that reduced provision or maintenance of or a collapse of sea defences could have a severe environmental impact and cause damage to local property and infrastructure.	Sea defence failure	<ul style="list-style-type: none"> • Preventative / reactive improvements are not undertaken • Problems stored for later years • Breach of defences with subsequent flooding • Threat to property and possibly life • Complaints from public / litigation • Adverse publicity • Local economy adversely affected
20	B2	*	Head of Corporate Services	Pandemic outbreak	There is a risk that there will be a loss of key staff both short and long term due to a pandemic. There could also be an impact of this on outside business, the loss of infrastructure and the supply chain.	Declaration of pandemic by the Department of Health	<ul style="list-style-type: none"> • Loss of key staff • Loss of community centres • Loss of resources through closure of buildings • Loss of income • Loss of supply chain • Increased workload (e.g. increased death rate) • Loss of transportation • Increased demands for social care
26	D2		Head of Resource Management	The Council suffers full or partial loss of ICT service capacity or	There is a risk that the Council suffers full or partial loss of ICT capacity resulting in the Council not being able to deliver critical services.	Technical loss or failure of services by one or more ICT service	<ul style="list-style-type: none"> • Loss or severe disruption to front line or back office service delivery (depending on the nature of the specific loss of ICT service). • Legal requirement to provide public access

			failure of IT systems.	There is a risk that IT systems will fail and/or that decisions are based on inaccurate information	suppliers to deliver their contracted services. Total or partial system shutdown and/or use of out of date data	to information relating to planning and building regulation applications, appeals, site histories, decisions and other related information prevented <ul style="list-style-type: none"> • Services and decisions delivered in accordance with 'out-of-date' data • Legislative requirements breached • Resources diverted to contesting challenge • Insufficient financial provision to meet claims • Staff morale suffers • Censure by audit/ inspection • Adverse publicity • Service intervention • Image of council damaged
28	D1	*	Temporary Head of Planning	Adoption of the LDF	There is a risk that there are delays adopting the LDF or it is not supported by robust and timely evidence.	There are significant delays in completing various elements of work and/or associated decision making processes within the demanding timescales needed to deliver the LDF. <ul style="list-style-type: none"> • LDF cannot be adopted within deadlines • LDF not supported by robust evidence • Missed opportunities to maximise income from planning obligations and the Council is unable to secure funding through the Community Infrastructure Levy (CIL) • Adverse impact on the Council's reputation via external scrutiny of the process and associated outcomes. • Inability to deliver on a timely manner on Council Priorities / Strategies where an adopted LDF plays a key role in progressing key initiatives, plans etc. • Evidence base out of date or not robust requiring it to be refreshed and updated which would incur significant additional costs. • Increased risk of challenge to planning decisions with resources being diverted to deal with them. • Additional financial costs associated with

						<p>defending decisions and/or payment of appellant's costs.</p> <ul style="list-style-type: none"> • Local loss of control over development within District
30	A2	*	Head of Public Experience	Local Deprivation	There is a risk that the announced spending cuts will have an additional impact on the most deprived in the district which is already below the national average in respect of levels of deprivation.	<p>Reductions in national and local public spending and services</p> <ul style="list-style-type: none"> • Reduction in public section spending including welfare and benefits • Increased deprivation in already deprived areas that increases the gap in terms of social, environmental, educational and health issues. • Increased demand on Council services at a time when resources will be reduced

Likelihood	A				
	B				
	C				12
	D				
	E	Risk Tolerance Line			
	F				
		4	3	2	1
		Impact			

<p><u>MANAGEMENT ACTION PLAN FOR STRATEGIC RISKS PROGRESS REPORT</u></p> <p>RESOURCE MANAGEMENT</p> <p>RESPONSIBLE OFFICER: KAREN NEATH</p>
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No	Current Rating	Target Rating	Description of Risk	Progress to 24 February 2012	Further actions required with target dates
12	C1	E1	The Council is unable to fund the financial forecast	<p>The 2012/13 budget was agreed by Council on 7th February. The council has substantially achieved its £4.4m target and has set a balanced budget for 2012/13.</p> <p>Work is now commencing on preparing the Financial Strategy for 2013/14 which will need to identify further budget reductions to enable a balanced budget to be set in each of the next two years. Consideration will also need to be given to the impact of proposed changes to the core funding mechanism for the council.</p>	<ul style="list-style-type: none"> Commence work on the Financial Strategy 2013/14 Identify and implement budget reductions to enable a balanced budget to be delivered in 2013/14 and beyond.

Likelihood	A				
	B			9	
	C				
	D				
	E	Risk Tolerance Line			
	F				
		4	3	2	1
		Impact			

MANAGEMENT ACTION PLAN FOR STRATEGIC RISKS PROGRESS REPORT

LIFE OPPORTUNITIES

RESPONSIBLE OFFICER: PAUL PRICE

No	Current Rating	Target Rating	Description of Risk	Progress to 24 February 2012	Further actions required with target dates
9	B2	B3	Failure to enable a sufficient supply of affordable housing	<p>Replacement Local Plan with improved targets and thresholds for the provision of affordable housing adopted by Full Council on 11 December 2007.</p> <p>New proposed housing allocations in the Replacement Local Plan will increase the opportunities for new affordable housing through s.106 agreement planning obligations</p> <p>Regular fortnightly meetings held with Planning Development Team to ensure effective use of developer contributions.</p> <p>Committed sums through s.106 agreements are being effectively accumulated which will increase the opportunities to enable new affordable housing provision.</p>	<p>Formal consultation on Local Development Core Strategy including housing options</p> <p>Relationship with RP's being developed to consider joint funding initiatives</p> <p>Preliminary meetings held with Development consultant to put in place resources to undertake in-house development if circumstances allow</p>

			<p>Strategic Housing Market Assessment published in July 2008</p> <p>Internal review of potential infill sites has been undertaken and the outcomes are being assessed in light of new ART product.</p> <p>Initiatives are being put in place to convert long term empty properties in the district into affordable housing.</p> <p>Opportunities for Intermediate Rent and Rent to Buy are being explored as an alternative to first time buyers who are unable to access market housing.</p> <p>Use of Affordable Rent model being evaluated to consider whether this would release capital finance.</p> <p>Potential for new build within HRA are currently being progressed.</p>	<p>Strategic tenancy strategy will be developed following publication Localism Act to evaluate delivery options utilising Affordable rent model, flexible tenancies etc.</p> <p>Options for site acquisition and/or property purchase being explored.</p>
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Likelihood	A			15	
	B			20	
	C				
	D				
	E	Risk Tolerance Line			
	F				
		4	3	2	1
Impact					

MANAGEMENT ACTION PLAN FOR STRATEGIC RISKS PROGRESS REPORT

CORPORATE SERVICES

RESPONSIBLE OFFICER: MARTYN KNAPPETT

No	Current Rating	Target Rating	Description of Risk	Progress to 24 February 2012	Further actions required with target dates
15	A2	B3	Maintenance is insufficient to stop property deteriorating	A number of capital projects have been completed including improvements to ventilation for Benefits and Revenues, electrical projects in buildings and boiler refurbishment, but there is still much to be done and the maintenance budget has to be carefully managed. We are reliant on one-off capital monies to carry out bigger improvements. An area which is causing concern relates to redecoration issues. Opportunities afforded by staff reorganisation to release council buildings and therefore reduce maintenance costs are being explored.	Regular Monitoring Identify the opportunities to release Clay Hall and Westleigh House. Take forward the feasibility study for the civic hob
20	B2	C2	The Council is unable to deliver its services or respond to a pandemic emergency	Business Continuity Plans have been prepared by all services	Following the transfer of responsibility for emergency planning to the Facilities Manager all aspects of emergency planning and business continuity are being reviewed.

Likelihood	A			30	19
	B				
	C				
	D				
	E	Risk Tolerance Line			
	F				
		4	3	2	1
		Impact			

MANAGEMENT ACTION PLAN FOR STRATEGIC RISKS PROGRESS REPORT

PUBLIC EXPERIENCE

RESPONSIBLE OFFICER: JUNE CLARE

No	Current Rating	Target Rating	Description of Risk	Progress to 24 February 2012	Further actions required with target dates
19	A1	D2	Sea defence failure	Funding from DEFRA for the implementation of a long term strategy for the Holland frontage has been applied for every year since 2003 and has not achieved a high enough priority score to be approved. The existing sea wall is in a very poor state and could collapse at any time. There is therefore a strong possibility of further structural failure before the long-term strategic work can be implemented. A report to Cabinet on 14 th March sets out the arrangements for procuring the Project Appraisal Report (PAR) which is the first stage in obtaining major grant funding for the coastal defence works. Also, the 2012/13 budget includes £3m to fund coastal projects and enhancements which helps to mitigate the risk.	<ul style="list-style-type: none"> • Continue to monitor structures on a monthly basis. • Take forward the PAR with relevant partners

30	A2	E2	Local Deprivation	<p>The Health Inequalities Strategy has been approved with a three year delivery plan that will seek to address many of the existing actions that are being taken by the Council. A review of the strategy was considered by the Service Development and Delivery Committee on 5th March. The aim is appoint a corporate lead for health inequalities to ensure that the profile of the topic is raised.</p>	<ul style="list-style-type: none">• Delivery of actions detailed in the Health Inequalities Delivery Plan• Identification of corporate lead
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Likelihood	A				
	B				
	C				
	D				28
	E	Risk Tolerance Line			
	F				
		4	3	2	1
		Impact			

MANAGEMENT ACTION PLAN FOR STRATEGIC RISKS PROGRESS REPORT

PLANNING

RESPONSIBLE OFFICER: SARAH STEVENS

No	Current Rating	Target Rating	Description of Risk	Progress to 24 February 2012	Further actions required with target dates
28	D1	D2	There is a risk that there are delays adopting the LDF or it is not supported by robust and timely evidence.	<p>In April 2011 Cabinet resolved to revisit the issue of housing numbers and housing sites. A series of public exhibitions were held around the District in mid/late 2011 and the responses analysed. A series of briefing notes and discussions with Cabinet have taken place to inform how the housing issue is to be addressed.</p> <p>Officers continue to prepare options and to amend the draft Local Plan (formerly the LDF).</p>	<p>During 2012/13:</p> <p>Member workshop to discuss housing planned for April 2012.</p> <p>Members are kept involved through appropriate informal briefings and reports.</p> <p>Use of short term consultancy contracts to deliver specific elements of Local Plan work if required.</p> <p>Assessment of impact of NPPF (expected to be published Spring 2012) on emerging plan and modifications to plan if required</p>

					<p>Keep best practice arrangements under review and opportunities to work with other Local Authorities</p> <p>Continue to raise awareness of implication of delays in the Local Plan process as appropriate and in particular reference to implications of NPPF.</p> <p>Ensure where appropriate that future decision making recognises implications on the Local Plan.</p> <p>Ensure that up to date local policies are in place given the removal of regional policies (Regional Spatial Strategy) and what will be a reduced number of national policies.</p>
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