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**RISK MANAGEMENT – 2007/08 PROGRESS REPORT**

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**Purpose of Report**

1. To update Members regarding Risk Management processes within the Authority.

**Information and Analysis**

**Reallocation of Risks**

2. A Risk Management Progress Report was presented to the September 2007 Audit Committee and included risk matrices outlining risks within the Corporate Plan and Departmental Service Plans for 2007/08 together with details of progress made on improvement action plans for those risks identified as above the risk appetite line.
3. Following the recent departmental restructure, effective from 1 November 2007, it has been necessary to refresh and update the current risk matrices and transfer those risks within the former Development and Environment Department to the appropriate Department. Revised risk matrices are attached at Appendices A-E.

**Annual Review of Risk Management Strategy**

4. Cabinet approved the latest Strategy in January 2007 (Min. Ref. C125/Jan/07). The Strategy requires that the Audit Committee review it annually in order to take into account possible changes in legislation, government initiatives and best practice. It is considered, at this stage, no amendments are required to the Strategy.

**External Recognition**

5. Pro-active risk management work within the Council has again been recognised on a national level. In November the Authority was a finalist at the 2007 Local Government Chronicle Finance Awards within the Risk Management category. This is the third national risk management award that the Council has won during 2007.

**Legal Implications**

6. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

**Section 17 of the Crime and Disorder Act 1998**

7. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those

functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

### **Recommendation**

8. It is recommended that the contents of the report be noted.

**Paul Wildsmith**  
**Director of Corporate Services**

### **Background Papers**

- (i) Council's Risk Management Strategy
- (ii) Departmental Risk Registers
- (iii) Corporate Plan 2007-10
- (iv) Risk Management Progress Report to 28th September 2007 Audit Committees

George Cornforth : Extension 2324  
TAB

## APPENDIX A – CORPORATE RISKS

<b>LIKELIHOOD</b>	<b>A Very High</b>				
	<b>B High</b>				
	<b>C Significant</b>		<b>1</b>	<b>2 7</b>	
	<b>D Low</b>			<b>3 4 5 6</b>	
	<b>E Very Low</b>				
	<b>F Almost Impossible</b>				
		IV Negligible	III Marginal	II Critical	I Catastrophic
		<b>IMPACT</b>			

<b>Risk No.</b>	<b>Risk</b>	<b>Responsible Person</b>
<b>1.</b>	The timing for future capital funding is not always known.	Paul Wildsmith
<b>2</b>	The Council works hard to attract capital investment to the Borough and often has many Capital projects ongoing at any one time	Cliff Brown
<b>3</b>	The Leading Edge programme is delivering change to key services and we need to ensure that there is continuing quality of service delivery and that Gershon targets are met	Lorraine O'Donnell
<b>4</b>	A flu pandemic could affect delivery of key services and affect business continuity planning	Paul Wildsmith
<b>5</b>	The current waste management contract is due to expire in 2008 and it is essential that the Authority procures an effective solution	Ian Thompson
<b>6</b>	There is a capacity issue around how the Authority can address major change	Ada Burns
<b>7</b>	Implementation of the proposed Departmental Restructure and impact upon service performance	Ada Burns

**APPENDIX B – CHIEF EXECUTIVE’S**

<b>LIKELIHOOD</b>	<b>A Very High</b>				
	<b>B High</b>				
	<b>C Significant</b>		<b>2 13</b>		
	<b>D Low</b>		<b>1 5 6 7 14 15 16</b>	<b>3 4 8 9 11 12</b>	
	<b>E Very Low</b>		<b>10</b>		
	<b>F Almost Impossible</b>				
		IV Negligible	III Marginal	II Critical	I Catastrophic
		<b>IMPACT</b>			

<b>Risk No.</b>	<b>Risk</b>	<b>Responsible Person</b>
<b>1</b>	The Corporate Reputation	Lorraine O’Donnell
<b>2</b>	Advertising revenue cannot be predicted and levels can fluctuate	Steve Jones
<b>3</b>	Public perception and reaction to events	Lorraine O’Donnell
<b>4</b>	Delivery of targeted cashable savings from procurement	Susan White
<b>5</b>	Leading Edge strand – Business transformation change projects to address specific service weaknesses and or national policy shifts	Lorraine O’Donnell
<b>6</b>	Leading Edge strand – New integrated communications strategy to include the public, employees, members and other stakeholders	Steve Jones
<b>7</b>	Leading Edge strand – New community engagement strategy on the future of the town and public services	Lorraine O’Donnell
<b>8</b>	The management of Council risks in respect of Darlington Partnership (LSP)	Lorraine O’Donnell
<b>9</b>	The management of Council risks in respect of the Health, Improvement and Social Inclusion Partnership	David Plews
<b>10</b>	The management of Council risks in respect of the Crime and Disorder Reduction Partnership	Rob Jones

<b>11</b>	Investment in regeneration projects is vulnerable to the wider economy, to loss of external funding, and to shortfalls in capital receipts from asset disposals	Richard Alty
<b>12</b>	Failure to deliver major capital project – Central Park	Richard Alty
<b>13</b>	Failure to follow statutory procedures	Steve Petch
<b>14</b>	Lack of competitiveness in bidding for resources	Richard Alty
<b>15</b>	Ability to secure and retain staff impacts on service delivery, with effect of London Olympics on skills availability highlighted as a particular current issue	Richard Alty
<b>16</b>	The management of Council risks in respect of the Economy, Environment and Transport Partnership Group	Gwenda Lyn Jones

**APPENDIX C – CHILDREN’S SERVICES**

<b>LIKELIHOOD</b>	<b>A Very High</b>				
	<b>B High</b>			<b>12</b>	
	<b>C Significant</b>		<b>10</b>	<b>1 4 5 7</b>	
	<b>D Low</b>		<b>11</b>	<b>3 6 8 9</b>	
	<b>E Very Low</b>		<b>2</b>		
	<b>F Almost Impossible</b>				
		IV Negligible	III Marginal	II Critical	I Catastrophic
		<b>IMPACT</b>			

<b>Risk No.</b>	<b>Risk</b>	<b>Responsible Person</b>
<b>1</b>	Inability to recruit and retain key staff within school sector	Murray Rose
<b>2</b>	Recruitment and retention of foster carers	Jenni Cooke
<b>3</b>	Schools in categories and schools causing concern	Andrew Dunn
<b>4</b>	Mismatch of demand and supply of child care places in Early Years	Gill Walker
<b>5</b>	Library performance impact on the CPA culture block performance	Gill Walker
<b>6</b>	Schools not engaging in behaviour and attendance management	Andrew Dunn
<b>7</b>	Capacity to deliver sustainable savings	Murray Rose
<b>8</b>	Failure to deliver Academy Implementation	Murray Rose
<b>9</b>	The management of Council risks in respect of Children’s Trust Partnership	Gill Walker
<b>10</b>	Major Capital Schemes – BSF / Carmel / Hummersknott and Eastbourne Academy, capacity to manage projects and funding schemes	George McQueen
<b>11</b>	Failure to disaggregate and integrate Connexions	Gill Walker
<b>12</b>	School Place Planning issues resulting in additional school places being required	George McQueen

**APPENDIX D – COMMUNITY SERVICES**

<b>LIKELIHOOD</b>	<b>A Very High</b>				
	<b>B High</b>				
	<b>C Significant</b>			<b>2 4 11</b>	
	<b>D Low</b>		<b>1 13</b>	<b>3 7 8 9 12 14 15</b>	
	<b>E Very Low</b>	<b>5 6</b>	<b>10</b>		
	<b>F Almost Impossible</b>				
		IV Negligible	III Marginal	II Critical	I Catastrophic
		<b>IMPACT</b>			

<b>Risk No.</b>	<b>Risk</b>	<b>Responsible Person</b>
<b>1</b>	Implementation of changes to PCT configuration and integration of services (Leading Edge Project)	Jane Robinson
<b>2</b>	Not delivering on financial recovery plan in Adult Social Services	Cliff Brown
<b>3</b>	Not achieving anticipated finance on Dolphin Centre	Steve Thompson
<b>4</b>	Implication of the increase in the number of people with high need requiring community care	Jane Robinson
<b>5</b>	The management of Council risks in respect of the Learning and Culture Partnership	Karen Williamson
<b>6</b>	The management of Council risks in respect of the Older Persons Partnership Board	Jane Robinson
<b>7</b>	Impact of contact centre on departmental performance	Cliff Brown
<b>8</b>	Change in resources may impact on maintaining the departments performance management and service planning framework	Cliff Brown
<b>9</b>	Change of transport management	Ian Thompson
<b>10</b>	Failure to deliver major capital project – Pedestrian Heart	Ken Poole
<b>11</b>	Failure to deliver major capital project – Darlington Eastern Transport Corridor	Cliff Brown
<b>12</b>	Failure to deliver major capital project – Schools Projects	Ken Poole

<b>13</b>	Service Partners fail to deliver	Ken Poole
<b>14</b>	The Council fails in its implementation of the Traffic Management Act 2004 and is subject to 'intervention' by the Secretary of State	Cliff Brown
<b>15</b>	Crematorium equipment fails and/or new mercury emissions regulations cannot be met, resulting in loss of service and reduced income	Ian Thompson



**APPENDIX E – CORPORATE SERVICES**

<b>LIKELIHOOD</b>	<b>A Very High</b>				
	<b>B High</b>		<b>8</b>		
	<b>C Significant</b>		<b>3 11</b>	<b>10 14</b>	
	<b>D Low</b>		<b>5 18</b>	<b>1 2 9 15 16 17</b>	
	<b>E Very Low</b>			<b>4 6 7 13 19</b>	<b>12</b>
	<b>F Almost Impossible</b>				
		IV Negligible	III Marginal	II Critical	I Catastrophic
		<b>IMPACT</b>			

<b>Risk No.</b>	<b>Risk</b>	<b>Responsible Person</b>
<b>1</b>	Reduction in external funding; Comprehensive Spending Review (CSR) 2007; 3 year settlement and 3 year programmes	David Hall
<b>2</b>	Demand-led expenditure exceeding available resources	David Hall
<b>3</b>	Capital Expenditure exceed resources available	Brian Boggon
<b>4</b>	Insufficient insurance cover	Brian James
<b>5</b>	VAT (Planning expenditure in terms of capital)	Brian Boggon
<b>6</b>	Projects of customers not recognised / consulted upon	SMT led by Brian James
<b>7</b>	Fraud – in general	Brian James
<b>8</b>	Loss of Land Charges Income	Catherine Whitehead
<b>9</b>	Council Tax collection, targets set are not achieved	David Hall
<b>10</b>	Information Governance - Council unable to meet its obligations under the information governance agenda	Brian James
<b>11</b>	Customer Services Centre and Call Centre Implementation	Ken Walker
<b>12</b>	ICT Security arrangements inadequate	Ken Walker
<b>13</b>	CPA – ‘Use of Resources’ score of 3 out of 4 not maintained	Ian Wilson
<b>14</b>	Implementation of the Darlington / Stockton Partnership	Paul Wildsmith

<b>15</b>	Not implementing pro-active Sickness Absence Management	Lesley Blundell
<b>16</b>	Leading Edge strand - Delivering a new integrated HR strategy	Lesley Blundell
<b>17</b>	Leading Edge strand – Delivering a new ICT strategy	Ken Walker
<b>18</b>	Failure to deliver DDA improvements to operational buildings are delivered	Guy Metcalfe
<b>19</b>	A sustained reduction in income from car parks and commercial property could impact on the delivery within the MTFP	Pam Ross