

---

**ANNUAL RISK MANAGEMENT REPORT 2011/12**

---

**SUMMARY REPORT**

**Purpose of the Report**

1. To update Members on the approach to and outcomes from the Risk Management processes for 2011/12.

**Summary**

2. Positive progress continues to be made within the Authority regarding the management of key strategic risks and with the work undertaken by the Operational Risk Management Groups to manage operational risk.

**Recommendation**

3. It is recommended that this Risk Management Report be noted

**Reasons**

4. The recommendation is supported to provide the Audit Committee with evidence to reflect on the Council's approach to Risk Management.

**Paul Wildsmith  
Director of Resources**

**Background Papers**

- (i) Council's Risk Management Strategy
- (ii) Corporate and Group Risk Registers
- (iii) Medium Term Corporate Plan 2011-15
- (iv) Risk Management Report to 30<sup>th</sup> September 2012 Audit Committee

Elaine Hufford 2447

|                                  |   |
|----------------------------------|---|
| S17 Crime and Disorder           | This report has no implications for crime and disorder  |
| Health and Well Being            | There is no specific health and well-being impact   |
| Carbon Impact                    | There is no specific carbon impact  |
| Diversity                        | Diversity issues are addressed in paragraph 8 a (viii) in the main report                                   |
| Wards Affected                   | All wards are affected equally  |
| Groups Affected                  | All groups are affected equally   |
| Budget and Policy Framework      | This report does not recommend a change to the Council's budget or policy framework                         |
| Key Decision                     | This is not a key decision  |
| Urgent Decision                  | For the purpose of the 'call-in' procedure this does not represent an urgent matter                         |
| One Darlington: Perfectly Placed | There is no specific relevance to the strategy beyond a reflection on the Council's governance arrangements |
| Efficiency                       | Insurance premiums reflect the pro-active approach taken to risk management within the Council.             |

## MAIN REPORT

### Background

5. Risk Management is an essential part of effective and efficient management and planning and strengthens the ability of the Council to achieve its objectives and enhance the value of services provided. It is also an important element in demonstrating continuous improvement as well as being part of the Council's Local Code of Corporate Governance that reflects the requirements of the CIPFA / SOLACE Framework of Corporate Governance.

### Information and Analysis

#### Strategic Risk Outcomes

6. A key element of the Council's planning process is that the areas of potential risk, which could adversely impact on the ability to meet objectives, are identified together with the officer responsible for managing that risk. These risks are plotted on to a standard likelihood and impact matrix with reference to management controls in place and working. The shaded part of the matrix signifies the area above the 'risk appetite line'. Risks in this region require further specific management i.e. are priorities for improvement that have an appropriate improvement action plan. Risk matrices, that reflect the Council structure, are attached at Appendices A-D and show the current Council Corporate and Group risks.
7. All risks are continually managed during the year by Corporate and Group Management Teams including any emerging risks identified. In addition, Assistant Directors are required to confirm in their Annual Assurance Statements that processes are in place to ensure that controls identified to support the positioning of risks on the risk matrices are in place and working.
8. The information that follows, provided by appropriate Group staff, details progress made on improvement actions for those risks identified as above the risk appetite line.

#### (a) **Corporate Risks (Appendix A) – eight corporate risks have been identified**

#### **Implementation of recommendations from the Capital Process Review is needed to enable an effective capital project management methodology to be in place**

- (i) A Capital Project Management methodology has been adopted and rolled out across the Council. Relevant officers have been trained in the methodology and a Project Management Handbook has been produced for reference and training purposes. The Council's intranet has also been developed to provide useful reference and supporting material. The Asset Management and Capital Programme Review Board (AM&CPRB), chaired by the Director of Resources, oversee the strategic position of capital projects. A Capital Projects Team is in place that has responsibility for the co-ordination and monitoring of a Project Position Statement (PPS). The PPS provides a single source of key information relating to the Council's commitments on capital

projects and programmes; enabling monitoring and challenge on projects. The PPS is reported monthly to the AM&CPRB and quarterly to Cabinet. The Capital Project Methodology is being reviewed by the Capital Projects Team, utilising learning experiences and examples of best practice, with an action plan being put together to further develop the processes and implement best practice. Progress against the action plan is being monitored monthly at the AM&CPRB.

**The Council has insufficient skills and capacity to deliver the transformational change agenda whilst maintaining quality of service delivery throughout the process.**

- (ii) The transformation programme is managed in a structured way through the Transformation Team reporting into the Transformation Board (COE). The Transformation Team, along with colleagues in groups, has been trained in LEAN techniques and the project management methodology. Programme Managers with specific roles and defined reporting relationships to monitor progress have also been established. A project has been established to develop a new workforce strategy to support the new business model. Part of this work entails engaging the workforce, trade unions, senior officers and elected members. As part of this process a number of new skills needs are emerging to support the business model. These skills needs, are being progressed as part of the roll out of the new Workforce Strategy.

**Corporate Premises Risks**

- (iii) The Corporate Premises Risk and Facilities Management database continues to be used to monitor compliance across all buildings, particularly in relation to cyclical maintenance contracts and those properties directly managed by the Council. The transfer of responsibility for all buildings (excluding schools and HRA properties) under the Corporate Landlord, which goes live in April 2012 is continuing and will facilitate better compliance.

**Business Continuity Plans not in place or tested for key critical services**

- (iv) A comprehensive re-examination has been undertaken of business continuity plans for the new business units that came about through the re-organisation of management structures last year. Priorities have been assigned to services in relation to how critical it is for services to continue after a disruptive event. Plans for the higher priority services are now being updated first.

**Council unable to meet its obligations under information governance agenda**

- (v) The overarching information governance risk comprises the key components of information management namely records management, data handling, data quality and information sharing. An information governance work programme has been developed to address the need for appropriate controls

to be embedded and consistently applied across all services. Progress on delivery of the work programme is the subject of a detailed report on the agenda for this meeting.

**Restructure and loss of management capacity/knowledge leads to increased risk of failures or errors in management, process, project or budget control**

- (vi) The restructure was a necessary measure to reduce management costs in the face of reduced grant. It has been managed as part of the Transformation Organisation Design programme led by the Chief Executive. The re-design of the structure recognised the inherent risks and has been designed to cope with reduced capacity by implementing training programmes such as those facilitated by Jigsaw and introducing discretionary leadership to increase capacity. A detailed risk assessment of each division is provided by each Assistant Director as part of the Managers Assurance process that includes an action plan for each area of risk where appropriate. At a corporate level work as part of the health and wellbeing agenda to revamp the Council's Stress Policy has been revised. This has been done to reinforce the need to ensure that the stress risk assessment process is followed in respect of individuals and when service managers are considering options for service delivery in order to assess potential risk of increased stress arising from such decisions. Training in respect of the policy is currently being rolled out.

**Consequences of the conversation to academy status of Schools in Darlington on resources and services provided to the schools by the Council**

- (vii) All schools may apply for Academy status. When a school converts, its budget share for pupils and an element of the budget for non school services is recouped from the Authority's budget. The resource to run central services (for instance behaviour support or SEN Transport) along with support services is dissipated. Services may become unviable as this affects the MTFP. Each Director is assessing with managers whether or not they will provide services to Academies using their recently restructured service sections.

**Failure to deliver public sector general duty under the Equality Act 2010**

- (viii) Following the Birmingham judgement earlier this year, all local authorities are noting the implications of the case law. In addressing the risk in Darlington, we have regular meetings with service users to inform and review our approach to equalities. We have trained all senior managers and councillors in our Equalities Impact Assessment process and how it impacts on decision making. There is further training planned for all Council Members, as in previous years. There is an internal group considering policy decisions and ensuring we carry out effective impact assessments in line with our policy. We have had legal briefings on the implications of the Birmingham judgement. At the heart of the process of preparing the MTFP, the Council has considered all of the budget and the budget reduction proposals at once, thereby ensuring an equitable approach to any reductions in services. Implementation of the eligibility criteria for Adult Social Care

has been delayed to permit further engagement on the proposals with groups and individuals at risk.

**(b) People Group (Appendix B) –six risks have been identified.**

**Ensure the safety and stability of looked after children**

- (i) A workplan to reduce the risk will include: increasing the number of suitable foster placements; ensuring Social Workers have manageable caseloads to enable retention of staff; the Placement panel will oversee all requests for placement and an intensive support service will be developed to reduce emergency requests for placements.

**Progress on the new Business Model is frustrated by lack of community support**

- (ii) A new liaison group involving the voluntary and community sector is to be formed. The “Darlington Together” brand is to be developed and will replace the Town Crier. A series of themed campaigns will be launched across the Borough. Work will be initiated with private sector organisations on Corporate Social Responsibility. The feasibility and specification for a Community Support Network is under development

**Impact of Welfare Reform on Services**

- (iii) Impact assessments of welfare reforms are to be carried out and options to mitigate impacts will then be developed. A transformation project has been established to oversee the transfer of social funds from the Department for Work and Pensions

**Establishment of Health & Well-being Board**

- (iv) The work programme for mitigation of this risk will include:- the development of binding agreements for Darlington Borough Council and its partners; development of detailed operational procedures; development of joint commissioning methods; clarification of queries concerning enabling legislation and the formation of a Board to meet statutory obligations. A Development session for the Board will be hosted on 19<sup>th</sup> March 2012. Key outcomes for the session will include
  - (a) The appropriate model for Darlington’s Health and Well Being Board
  - (b) Functions of Darlington’s Health and Well Being Board and specifically what Darlington would like to achieve from the Health and Well Being Board
  - (c) Membership of Darlington’s Health and Well Being Board
  - (d) Develop a vision for Health and Well Being in Darlington
  - (e) Consider Opportunities and Challenges that Darlington’s Health and Well Being Board may encounter.
  - (f) Identify the key work programme for Darlington’s Health and Well Being Board.

### **Transfer of Public Health responsibilities to Local Authorities**

- (v) A transition plan for the whole project has been developed with the formation of a Project steering group and the development of major workstreams.

### **Strategic partnership working with other Local Authorities**

- (vi) A project Board is to be setup to oversee the programme. Each partner LA to agree the programme at Cabinet level and include it in their MTFP. Local Government Association research funding has been secured and a comprehensive risk register for the project is to be developed by the transformation team. A Partnership Project Manager has been appointed.

- (c) **Place Group (Appendix C)** – two risks have been identified.

#### **Concessionary Fares Scheme - Risk of Challenge**

- (i) The concessionary fares scheme is negotiated with all bus operators each year in line with Government legislation and guidance. This sets the reimbursement rate per concessionary journey for a financial year. If a negotiated position cannot be reached, a scheme can be imposed by the Local Authority but is potentially open to challenge by a bus operator. In order to minimise risk of challenge legal and industry advice have been sought. However using the DfT concessionary fares model and guidance indicates that the payments will increase to the levels previously paid in 2010/11, which will place an immediate pressure on the concessionary fares budget, as this has been reduced.

#### **Investment in regeneration projects is not delivered.**

- (ii) The Council's project management and engagement with developers is well proven and effective. Risk management is integral in individual projects and is responsive to changing circumstances. However current market conditions produce uncertainty and lack of investor confidence, so risk continues to be highlighted as above the line.

- (d) **Resources Group (Appendix D)** – Two risks have been identified.

#### **Significant exposure to Equal Pay Claims.**

- (i) The Council has a number of ongoing equal pay claims currently within the legal system. Although the Council's exposure in this area has been reduced with the implementation of Single Status and ongoing effective management of claims, there still remains the potential that such claims could result in a significant financial liability for the Authority. The situation is closely managed on a regular basis in liaison with the Director of Resources, the Assistant Director of Human Resources and

legal advisor's with appropriate action taken to limit exposure and liability as and when necessary.

### **Councils' decision making process following the judicial review**

- (ii) The Council is making a series of cuts to services in addition to efficiencies which have an impact on the way that we deliver services. These changes and the wider financial context nationally increase the Council's risk of challenge in relation to our decision making in line with other authorities. The risks relate to contracting, judicial review, employment and other litigation. To mitigate the risk the Council continues to receive legal advice in relation to all its Cabinet and Council decisions as well as advice through general legal support to services and senior officers. The arrangements for the governance of decision making will be strengthened through the involvement of COB in the schedule of reports for Cabinet and Council, training on judicial reviews will be provided to COB and a checklist will be added to the front of reports to enable legal, financial and HR advice on reports to be captured.

### **Operational Risk Outcomes**

9. The structure of the Corporate Risk Management Group and various sub-groups is currently under review to ensure the operational risks of the Council continue to be managed effectively. Any proposed amendments will be reported to Chief Officers Board for approval. Members will be updated on the position in the September 2012 Risk Management Progress Report. In the mean time the sub-groups continue to meet as scheduled.
10. The Health and Safety Unit has continued to provide appropriate advice and guidance in a proactive approach to support the implementation of the Council's Health and Safety Management System with particular focus on Schools and Place Group. A key initiative this period has been to raise awareness of and encourage Near Miss reporting throughout the Authority in order to learn lessons and help prevent future accidents, injury and loss. In 2011/12 the downward trend continued in all Council accidents and those reportable to the Health and Safety Executive.
11. The latest edition of the risk management newsletter 'Risk Aware' was published in February 2012 and included articles on topical issues. The newsletter, which is supported by Zurich Municipal the Council's Insurers, complements the information available for staff within the Risk and Insurance intranet service.
12. A programme of Risk Management training continues to be undertaken. The Council liaises with Zurich Municipal and other risk management bodies to deliver appropriate training. During the past year general training has been delivered on Property, Fire and Security Risk and Social Care Risk. Positive feedback was received from those who attended this training and further training, based on need, will continue to be arranged throughout the coming year. This includes:
  - Motor Risk Management for Managers
  - Property, Fire and Security Risk

- Legionella Awareness
- Corporate Landlord

In addition, work is ongoing in liaison with Zurich Municipal and relevant Service Managers to develop a programme of training to cover strategic risks.

- Members were informed in September 2011 that the risk management fund had purchased a further two year supply and licence of Smartwater for all Council maintained schools. Smartwater is a solution used to mark property with a 'forensic fingerprint' that links anyone in possession of stolen items with the crime scene. The use of Smartwater in Darlington schools together with continued management of property risk continues to support the reduction in instances of theft and vandalism within school property. During 2005/06 there were 55 insurance claims submitted compared to 16 during 2010/11. The Property Risk Management Group is currently investigating the feasibility of applying Smartwater to other Council owned property to prevent metal theft.
- The milder weather so far this winter has resulted in less than half the number of carriageway defects compared with the same period last year. The change to a combined inspect and repair system for main road safety inspections has resulted in 29% of all carriageway defects repaired on the same day they were reported.
- The problem of metal theft continues with 100 gully covers replaced during the period 1 April 2011 to 24 January 2012. Metal theft is a national problem which the police are addressing. On 18 January the Northern Echo reported that Durham, Northumbria and Cleveland police forces had carried out raids on ten premises related to this matter.
- The first Footway Network Survey has been carried out on approximately 25% of the network. The results of this survey are being analysed and will help to identify areas requiring further investigation and inclusion in future maintenance work programmes. The survey will continue in 2012/13 with the intention of surveying the entire footway network over a four year period.
- The positive proactive approach to managing Council owned trees continues to produce positive results. A programme for surveying trees has been developed and necessary works identified have been completed. This approach has resulted in very few tree failures particularly during recent periods of extreme weather. It has also enabled the Council to successfully defend claims for compensation.

## **Conclusion**

- The Council's pro-active approach to risk management continues to produce positive results for the Authority.

## **Outcome of Consultation**

- There has been no formal consultation in the preparation of this report.

**CORPORATE RISKS**

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

| <b>Risk No.</b> | <b>Risk</b>   | <b>Responsible Person</b> | <b>Movement in Period</b> | <b>Reason for Movement on Matrix</b>   |
|-----------------|---|---------------------------|---------------------------|--|
| <b>C1</b>       | Implementation of recommendations from Capital Process Review is needed to enable an effective capital project management methodology to be in place  | Richard Alty              | None                      | See paragraph 8 a (i) in main report.  |
| <b>C2</b>       | The Council has insufficient skills and capacity to deliver the transformational change agenda whilst maintaining quality of service delivery throughout the process                                    | Ada Burns /Paul Wildsmith | None                      | See paragraph 8 a (ii) in main report.   |
| <b>C3</b>       | Corporate Premises Risks  | Paul Wildsmith            | None                      | See paragraph 8 a (iii) in main report.  |
| <b>C4</b>       | Business Continuity Plans not in place or tested for key critical services  | Richard Alty              | None                      | See paragraph 8 a (iv) in main report.   |
| <b>C5</b>       | Council unable to meet its obligations under the information governance agenda  | Paul Wildsmith            | None                      | See paragraph 8 a (v) in main report.  |
| <b>C6</b>       | Potential issues regarding Safeguarding Children arising from difficulties in recruiting Social Workers within Children's Services and in obtaining agreement across Tees Valley for a common approach. | Murray Rose               | Deleted                   | Action to reduce use of agency staff and improve retention have been successful. No recruitment issues at the present time |
| <b>C7</b>       | Restructure and loss of management capacity/ knowledge leads to increased risk of failures or errors in management, process, project or budget control  | Ada Burns                 | None                      | See paragraph 8 a (vi) in main report.   |
| <b>C8</b>       | Academies Bill implication for the sustainability of centrally provided services e.g. SEN, Transport, Finance etc   | Murray Rose               | None                      | See paragraph 8 a (vii) in main report.  |
| <b>C9</b>       | Failure to deliver public sector general duty under the Equality Act 2010   | Murray Rose               | None                      | See paragraph 8 a (viii) in main report.   |

**PEOPLE GROUP**

|            |                           |                  |                         |                        |                   |
|------------|---------------------------|------------------|-------------------------|------------------------|-------------------|
| LIKELIHOOD | A<br>Very High            |                  |                         |                        |                   |
|            | B<br>High                 |                  | 1                       | 17, 21,                |                   |
|            | C<br>Significant          |                  | 2, 3, 14,<br>15, 16, 20 | 7, 18, 19              |                   |
|            | D<br>Low                  |                  |                         | 5, 6, 8,<br>10,<br>11, |                   |
|            | E<br>Very Low             |                  |                         |                        |                   |
|            | F<br>Almost<br>Impossible |                  |                         |                        |                   |
|            |                           | IV<br>Negligible | III<br>Marginal         | II<br>Critical         | I<br>Catastrophic |
| IMPACT     |                           |                  |                         |                        |                   |

| <b>Risk No.</b> | <b>Risk</b>   | <b>Responsible Person</b> | <b>Movement in Period</b> | <b>Reason for Movement on Matrix</b>   |
|-----------------|---|---------------------------|---------------------------|--|
| PE1             | Ensure the safety and stability of looked after children  | Jenni Cooke               | None                      | See paragraph 8 b (i) in main report   |
| PE2             | Schools in categories and schools causing concern would be classed as failing schools and with that goes the failure to educate , falling roll numbers and loss of confidence by parents etc. | Jenni Cooke               | From DII to CIII          | Risk has moved as more schools are converting to Academy status                                  |
| PE3             | Mismatch of demand and supply of child care places  | Jenni Cooke               | None                      |  |
| PE4             | Increase in looked after children and insufficient 'in-house' provision   | Jenni Cooke               | Deleted                   | Risk now included in Risk PE1  |
| PE5             | The management of Council risks in respect of the Children's Trust  | Melanie Brown             | None                      |  |
| PE6             | The management of Council risk in respect of other partnerships   | Murray Rose               | None                      | Risk to be reviewed in line with Report to Cabinet on Partnerships on 6 <sup>th</sup> March 2012 |
| PE7             | Progress on the new Business Model is frustrated by lack of community support   | David Plews               | None                      | See paragraph 8 b (ii) in main report  |
| PE8             | Management of Council risks in respect of Darlington Partnership  | Seth Pearson              | None                      | Risk to be reviewed in line with Report to Cabinet on Partnerships on 6 <sup>th</sup> March 2012 |
| PE9             | Primary admissions and shortage of places and implications for capital programme  | Murray Rose               | Deleted                   | Additional places now provided   |
| PE10            | The management of Council risks in respect of the Crime and Disorder Reduction Partnership Theme Group  | Chris Sivers              | None                      | Risk to be reviewed in line with Report to Cabinet on Partnerships on 6 <sup>th</sup> March 2012 |

|      |   |                  |                  |  |
|------|---|------------------|------------------|--|
| PE11 | The management of Council risks in respect of the Healthy Darlington Theme group  | Miriam Davidson  | None             | Risk to be reviewed in line with Report to Cabinet on Partnerships on 6 <sup>th</sup> March 2012 |
| PE12 | Impact of any unpredicted increase in demand for community care   | Pauline Mitchell | Deleted          | Predictive modelling means that impact is now known  |
| PE13 | Difficulties in developing a Housing Business Plan and regenerating areas of greatest need when future financial position of HRA and economic climate are uncertain | Pauline Mitchell | Deleted          | Settlement now known   |
| PE14 | Ability to adequately address the affordable housing requirement  | Pauline Mitchell | None             |  |
| PE15 | Reduced levels of Continuing Care funding   | Pauline Mitchell | None             |  |
| PE16 | Council Tax Collection could be adversely affected by downturn in the economy   | Anthony Sandys   | From DII to CIII | The increase in Council Tax for 2012/13 may increase the resistance to pay                       |
| PE17 | Impact of Welfare Reform on Services  | Julian Kenshole  | New Risk         | See paragraph 8 b (iii) in main report   |
| PE18 | Establishment of Health & Well-being Board  | Chris Sivers     | New Risk         | See paragraph 8 b (iv) in main report  |
| PE19 | Transfer of Public Health responsibilities to LA  | Miriam Davidson  | New Risk         | See paragraph 8 b (v) in main report   |
| PE20 | Introduction of Police & Crime Commissioner and development of new relationships and ways of working  | Chris Sivers     | New Risk         |  |
| PE21 | Strategic partnership working with other LAs  | Murray Rose      | New Risk         | See paragraph 8 b (vi) in main report  |

**PLACE GROUP**

|            |                           |                  |                 |                      |                   |
|------------|---------------------------|------------------|-----------------|----------------------|-------------------|
| LIKELIHOOD | A<br>Very High            |                  |                 |                      |                   |
|            | B<br>High                 |                  |                 | 1                    |                   |
|            | C<br>Significant          |                  |                 | 4                    |                   |
|            | D<br>Low                  |                  | 9, 11           | 2, 5, 6, 7,<br>8, 12 |                   |
|            | E<br>Very Low             |                  |                 | 13                   |                   |
|            | F<br>Almost<br>Impossible |                  |                 |                      |                   |
|            |                           | IV<br>Negligible | III<br>Marginal | II<br>Critical       | I<br>Catastrophic |
| IMPACT     |                           |                  |                 |                      |                   |

| <b>Risk No.</b> | <b>Risk</b>  | <b>Responsible Person</b> | <b>Movement in Period</b> | <b>Reason for Movement on Matrix</b>  |
|-----------------|--|---------------------------|---------------------------|---|
| PL1             | Unforeseen increases in the cost affect the concessionary fares scheme - The risk is now being managed utilising a DfT software tool that enables us to drill down into operator costs. Concessionary Fares Scheme - Risk of Challenge | Sue Dobson                | From F IV to B II         | See paragraph 8 c (i) in main report  |
| PL2             | Implementation and development of Traffic Management Act duties and Network Management Plan  | Dave Winstanley           | None                      |   |
| PL3             | Supported bus services are terminated by operators –.  | Sue Dobson                | Deleted                   | Risk of bus services being terminated by operators is now negligible.                       |
| PL4             | Investment in regeneration projects is not delivered. –  | John Anderson             | None                      | See paragraph 8 c (ii) in main report   |
| PL5             | The management of Council risks in respect of the Prosperous Darlington Theme Group  | John Anderson             | None                      | Risk to be reviewed in line with Report to Cabinet on Partnerships on 6 <sup>th</sup> March |
| PL6             | The management of Council risks in respect of Tees Valley Unlimited and LEP  | Richard Alty              | None                      |   |
| PL7             | The management of Council risks in respect of greener Darlington Theme Group   | Steve Petch               | None                      | Risk to be reviewed in line with Report to Cabinet on Partnerships on 6 <sup>th</sup> March |

|      |   |   |                   |  |
|------|---|---|-------------------|--|
| PL8  | A sustained reduction in Group Income (eg Car Parks, Leisure, Building Services) adversely impacts upon the MTFP      | John Anderson for Policy and Regeneration Services<br>Ian Thompson for Community Services<br>Brian Dobinson for Building Services | None              |  |
| PL9  | Non Delivery of the Contest/ Prevent Agenda or civil contingencies  | Bill Westland   | None              |  |
| PL10 | Restructure, reductions in capacity and expertise impact on service performance                                       | Richard Alty  | Deleted           | The restructure which took place in 2011 has now been operating effectively since mid-2011   |
| PL11 | Floods and Water Act implementation –risk relates to a staffing issue. Options for implementation are being assessed. | John Anderson   | From D II to DIII |  |
| PL12 | Management of invasive plants – processes have been agreed to manage this risk.                                       | Ian Thompson  | None              |  |
| PL13 | Delivery of Strategic options for Place, MTFP and transformation Projects   | Richard Alty  | New EII           | The Strategic options for Place project is likely to give rise to a series of new transformation projects which, together the change projects that arise from the new MTFP, will require significant senior management and project management capacity along with staff engagement to ensure they are delivered, with risks of not achieving objectives if time were diverted to other things. |

RESOURCES

|            |                        |                  |                 |                |                   |
|------------|------------------------|------------------|-----------------|----------------|-------------------|
| LIKELIHOOD | A<br>Very High         |                  | 13              |                |                   |
|            | B<br>High              |                  |                 |                |                   |
|            | C<br>Significant       |                  | 1 2 11          | 8              |                   |
|            | D<br>Low               |                  | 5 7             | 3 4 9          |                   |
|            | E<br>Very Low          |                  |                 |                |                   |
|            | F<br>Almost Impossible |                  |                 |                |                   |
|            |                        | IV<br>Negligible | III<br>Marginal | II<br>Critical | I<br>Catastrophic |
| IMPACT     |                        |                  |                 |                |                   |

| <b>Risk No</b> | <b>Risk</b>   | <b>Responsible Person</b> | <b>Movement in Period</b> | <b>Reason for Movement on Matrix</b>  |
|----------------|---|---------------------------|---------------------------|---|
| RE1            | VAT (Planning expenditure in terms of capital)  | Elizabeth Davison         | None                      |   |
| RE2            | Fraud – in General  | Brian James               | None                      |   |
| RE3            | ICT security arrangements inadequate  | Ian Miles                 | None                      |   |
| RE4            | Implementation of Xentrall business case savings are not realised                         | Paul Wildsmith            | None                      |   |
| RE5            | Increased sickness absence adversely affects service delivery                             | Lesley Blundell           | DII to DIII               | There has not been the significant rise in sickness levels that adversely affect service delivery.  |
| RE6            | Non delivery of new ICT Strategy  | Ian Miles                 | Deleted                   | New ICT strategy now being delivered  |
| RE7            | A sustained reduction in departmental income adversely impacts upon the MTFP              | Paul Wildsmith            | DII to DIII               | The majority of income within the MTFP such as Car Parks no longer sits with Resources group  |
| RE8            | Significant exposure to Equal Pay claims  | Lesley Blundell           | None                      | See Paragraph 8 d (i) in main report  |
| RE9            | Instability within financial markets adversely impacts on financing costs and investments | Elizabeth Davison         | None                      |   |
| RE10           | Financial risk to the Authority from the implementation of the Carbon Reduction Scheme    | Brian Boggon              | Deleted                   | The scheme when conceived was to be a carbon trading scheme whereby the amount paid depended on the relative performance between organisations in reducing carbon emissions. However, the new Government changed this to a fixed tax (subject to the price per tonne changing) and therefore the risk of fluctuation has diminished and the known cost is |

|      |  |                    |          |   |
|------|--|--------------------|----------|---|
|      |  |                    |          | budgeted for in the MTFP                        |
| RE11 | Target efficiency and procurement savings are not delivered                              | Brian Boggon       | None     |   |
| RE12 | Implementation of new business model is delayed or disputed in ineffective communication | Cassandra Ferguson | Deleted  | New business model now effectively communicated |
| RE13 | Issues relating to the decision making processes within the Council                      | Cath Whitehead     | New AIII | See Paragraph 8 d (ii) in main Report           |