

Agenda Item No: 10
Report To: **Audit Committee**
Date: 5 March 2013
Report Title: Strategic Risk Review
Report Author: Ian Cumberworth, Internal Audit Manager



Summary:	This report informs members of the current position regarding the authority's strategic risks
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Key Decision: No

Affected Wards: N/A

Recommendations: **Audit Committee is asked to:-**

1 Note the strategic risk management action plans

2 Confirm that it is satisfied with the action that is being taken to manage the Council's strategic risks

3 Agree the reassessment of the risk score in relation to 1a 'Economic Growth' from 5/3 (High /Severe) to 4/3 (Significant/Severe) and risk number 6 'Members skills, capacity and experience' 3/2 (Low /Medium) to 2/2 (Very Low/Medium)

Policy Overview: The Strategic Risk Register provides a means of monitoring the risks to the delivery of the Council's strategic objectives and for ensuring that appropriate action is taken to manage them.

Financial Implications: None directly

Risk Assessment Risk is the basis of the report

Equalities Impact Assessment No

Other Material Implications: None

Background Papers: None

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Report Title: Strategic Risk Review

Purpose of the Report

1. The report sets out the current Strategic Risk position, reflecting the recent risk refresh exercise, which was undertaken in February 2013. Management Action Plans have been updated and amended to reflect the action currently being taken to manage the risks
2. The Audit Committee is responsible for ensuring the effective development and operation of risk management. The Committee therefore needs to be satisfied with the action that is being taken to manage the Council's strategic risks

Issue to be Decided

3. Audit Committee is asked to
 - Note the strategic risk management action plans
 - Confirm that it is satisfied with the action that is being taken to manage the Council's strategic risks
 - Agree that risks 1a 'Economic Growth', and risk 6 'Members skills capacity and experience' have been appropriately reassessed in terms of the revised risk score.

Background

4. As part of the authority's governance arrangements, the Council is required to manage risks effectively; this report sets out the current position with regard to strategic risks.
5. In 2012 the risk register was subject to a fundamental review with the support of Zurich Municipal and reports were provided to Audit Committee and Cabinet accordingly.
6. The risk register is a living document and is kept under review throughout the year. It is amended when necessary to reflect changes in the risk environment. Risk reports are required to be considered by the Audit Committee during the year.
7. **Appendix 1** shows the current risk profile of the strategic risks within the organisation, each identified risk has been scored onto the risk matrix. The shaded top right hand area of the matrix represents the authority's highest risks. At present, eight risks sit within this area
8. Each Strategic risk has been assessed and detailed action plans developed. Named senior managers have been assigned responsibility for the risks. The Council currently has eleven 'active' strategic risks. The detailed management action plans are set out in **Appendix 2**.

9. To assist members in identifying amendments/changes to the action plans since the last report was considered by the Audit Committee in September 2012 and Cabinet in November, amendments are shown in italics
10. The Council's eleven key risks are set out below. The table shows the movement in risk scores since they were last considered by Audit Committee and Cabinet.

	<u>Corporate Strategic Risk (CSR)</u>	<u>Target Score</u>	<u>Score as at September 2012</u>	<u>Movement</u>	<u>Current score February 2013</u>
1a	Economic Growth	3/2	5/3	↓	4/3
1b	Right mix of quality housing	3/3	4/3	↔	4/3
2	Income Streams	5/2	6/3	↔	5/3
3a	Community Demands	2/2	3/2	↔	3/2
3b	Consequences of Universal Credit	3/3	4/3	↔	5/3
4	Opportunities for Localism	2/3	3/3	↔	3/3
5	Workforce Planning	2/3	3/3	↔	3/3
6	Members skills, capacity & experience	2/2	3/2	↓	2/2
7	Business Plan	3/3	4/3	↔	4/3
8	Housing	3/3	4/3	↔	4/3
9	Infrastructure	5/3	6/3	↔	6/3

11. As a result of the risk review, nine risk scores have remained unchanged however two risk scores have been revised. Members are asked to consider whether they are satisfied that sufficient progress has been made to confirm that the scores for these risks should be amended. A brief narrative is included below, setting out the basis as to why the risks should be rescored.
- **CSR 1a Economic Growth** has been changed from **5/3 High/Severe to 4/3 Significant /Severe**. The risk has been amended, as evidence since the start of the recession shows that Ashford has an extra 4% of people in employment compared to the Kent average. At the same time unemployment at 2.6% remains below the Kent average of 3%. While there is no basis for complacency, the risk of a lack of economic growth per-se seems less than when the risk register was first produced. More evidence is needed on the nature of jobs created and the average salary levels as a long term qualitative indication of progress; however the risk owner considers that it is appropriate to amend the risk in light of the above information.
 - **CSR 6 Members skills, capacity & experience** has been amended from **3/2 Low/ Medium to 2/2 Very Low/Medium** therefore this risk has reached its target score. The amendment has been made to reflect that the substantive actions previously recommended have now been actioned.

Background

- 10 The 'risk owners' are senior managers whose role makes them best placed to manage the identified risk. The Management Action Plan shows the risk and the risk owner, the current risk score and the target score, a description of the risk and the 'vulnerability' i.e. the context for the risk. The 'current risk score' incorporates a traffic light approach (red, amber, green) to reflect where the risk appears on the risk matrix. The consolidated risk matrix is shown at **Appendix 1**.
- 11 The completed action plans are shown at **Appendix 2**. The detailed action plans show:
- The action/control that is already in place – these are the controls that already mitigate the potential effect of the risk
 - Whether the action/control is adequate to address the risk
 - The further action that needs to be taken to adequately manage the risk
 - Critical success factors – how we will know that the risk is being Addressed
 - Review frequency – how often the risk management action needs to be Reviewed
 - Key dates – the key dates affecting the management of the risk

Risk Assessment

- 13 The Council is a complex organisation responsible for many £millions of public expenditure. It is also a tax collector and a landlord receiving substantial levels of income. The actions of the Council have a major impact on the community for which it is responsible. It is therefore vital that the strategic risks to the Council's objectives are identified and properly managed.
- 14 Risks where managed correctly, are not necessarily undesirable. Riskier models of delivery can often be the most innovative and effective. The key to setting a positive risk appetite is the knowledge that the organisation is able to manage risks effectively.

Other Options Considered

15. The Audit Committee is responsible for ensuring the effective development and operation of risk management. The Committee therefore needs to be satisfied that the action taken to manage risks is adequate. No other option could be advocated.

Consultation

- 16 The creation and review of the strategic risk register has been the subject of considerable consultation. The current report has been considered by Management Team

Implications Assessment

- 17 A strategic risk register with proper arrangements in place for monitoring the management of the risks, should be seen as a vital element of the Council's governance/strategic management arrangements

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Management Action Plan Risk 1a Economic Growth Risk Owner Richard Alderton

Likelihood	6				
	5			1a	
	4			1a	
	3				
	2				
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
1a	4444//3 High/Severe	3/2 Low/Medium	Risk of lack of economic growth in the borough / lack of facilitation of job creation / an inappropriate balance of jobs leading to a decline in average earnings
Vulnerability: The Council needs to work with and influence developers, businesses and other agencies to ensure that the right mix of housing, infrastructure and investment in the borough is delivered.			

<u>Action/controls already in place</u>	<u>Adequacy of action/control to address risk</u>	<u>Required management action/control</u>	<u>Responsibility for action</u>	<u>Critical success factors (outcome)</u>	<u>Review Frequency</u>	
<p>Promotion of economic development through dedicated ED team; planning – allocations <u>and 'business friendly' seervice</u>, site negotiations and approvals; media and marketing activities</p>	<p>Adequate but further progress sensitive to levels of staff and other resource available</p>	<p>Continued focus on 'economy-first' approach across the Council <u>and the Unit's own priority approach to business activity</u>. Strategic audit of current approach and re-assessment of economic development capacity <u>has resulted in funding for increased ED staff capacity.</u> , priorities and R resource levels <u>need to be kept under reviews for major applications handling.</u></p>	<p>Richard Alderton for Management Team</p>	<p>Identify additional actions to promote economic activity -promote those that exist already</p>	<p>3 months</p>	
<p>Range of partnership activity with the Locality Board, Locate in Kent, Homes and Communities Agency and others</p>	<p>Adequate</p>	<p><u>Maintain commitment to joint working. Regular meetings are held to review progress and stimulate action with the HCA. Locality Board needs to address collective impact that can be applied to economic objectives. Regular working with LIK continues.</u></p>	<p>John Bunnett</p>	<p>Clarify objectives and help drive achievement of priorities</p>	<p>3 months</p>	
<p>Specific initiatives such as Portas funding; deferred developer contributions; broadband access to rural areas; GREENOV support for sustainable energy sector; etc</p>	<p>Adequate <u>and injection of new ED staffing resources will help future progress. but quality of achievements sensitive to levels of staff and other resource available</u></p>	<p><u>Clarify a realistic set of objectives across key areas so that priorities can be agreed and key areas targeted</u> Maintain commitment to joint working(e.g. the Town Team); continue to apply market sensitive approach to deferred contributions (e.g. Charter House); maintain commitment to GREENOV project and continue successful promotion of rural broadband project. take stock and agree a set of site and topic specific objectives and identify clear responsibilities for each</p> <p>Clarify a realistic set of objectives across key areas so that priorities can be agreed within resources available – identify opportunities that could be taken with increased resources</p>	<p>Andrew Osborne</p>	<p>Concentrate resources on priorities and apply any extra to new opportunities</p>	<p>3 months</p>	<p>[Milestones/deadlines]</p>

**Management Action Plan
Richard Alderton**

Risk 1b Mix and quality of housing

Risk Owner

Likelihood	6				
	5				
	4			1b	
	3				
	2				
	1				
		1	2	3	4
		Impact			

Risk Number	Current Risk Score	Target Risk Score	Description
1b	4/3 Significant/ Severe	3/3 Low/Severe	Risk of failure to get the right mix and quality of housing – fail to get the right units in the right places
Vulnerability: The Council needs to work with and influence developers, businesses and other agencies to ensure that the right mix of housing, infrastructure and investment in the borough is delivered.			

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
SPD adopted to drive space standards and quality environments	Adequate	Continued vigilance in application of the SPD and approach to high quality urban design. <u>The market has generally responded positively and reports to Committee routinely address this issue.</u>	Lois Jarrett	High quality <u>living conditions development</u> and community building	Annual	[Milestones/deadlines]
<u>Implications of policy relaxations and deferred payments needs to be kept under review</u>	<u>Adequate</u>	<u>Schemes negotiated on viability grounds are reducing the supply of affordable housing – the impact needs to be kept under review (and balanced against the high levels of delivery over the last decade).</u>	<u>Richard Alderton</u>	<u>Adequate mix of housing delivered to address needs as far as possible</u>	<u>Annual</u>	
Masterplans to help shape density plans and help quality place-making, including new focus on garden city principles	Adequate	Programme of awareness raising for officers and members on garden city principles to help refine current approach; <u>member reviews of completed development underway; specific approach being taken at Chilmington Green which will be taken forward in phase masterplans.</u>	Richard Alderton	Understanding and support for clear set of development objectives <u>to drive high quality living environments and 'place-making'.</u>	3 months	

Management Action Plan Risk 2 Volatile Income Streams Risk Owner Paul Naylor

Likelihood	6			2	
	5				
	4				
	3				
	2				
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
2	6/3 Very High/ Severe	5/2 High/Medium	Risk that key income streams are volatile and significantly adversely affected by the changing legislative and economic environment
Vulnerability: The Council's income streams are vulnerable to a number of factors including new legislation e.g. localising support for Council Tax, local collection of business rates, new homes bonus and also adverse economic conditions e.g. impacting on the return on investments.			

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
1. Regular income monitoring through budget management 2. development of data sets that inform usage and demand trends as part of financial management 3. more strategic corporate data sets that has pan-service ownerships that acts as a predictive modelling tool for positions on major income flows (business rates, council tax, new homes bonus, parking etc) 4. Flexible financial and service management ability to adjust priorities or to take corrective actions 5. Robust medium term financial and service planning, informed by reasonable data and assumptions Keeping up-to-date with legislative reforms and how this impacts on income levels and having actions in place (for example council tax support scheme)	Good Good Developing Good Good foundation to build on with current MTFP arrangements	1. Keep process under scrutiny to ensure works smoothly and any risks highlighted at the earliest reasonable opportunity 2. Refine the corporate data set needed for more strategic pan-service discussion, and then set up short review discussions bi-monthly as minimum 3. Keep financial management controls and procedures under review to ensure decision-making protocols are appropriate if circumstances change 4. Ensure management team and members are well briefed on the importance of managing income opportunity and risk, as central to the operation and funding for the council – this will require some special briefings on financial and welfare reforms and how they impact corporately 5. MTFP processes to develop accordingly <i>Overall – One of the largest risks to the budget (changes in welfare reform and Universal Credit) have had extensive consultation, with implementation from April. Public briefings are ongoing. Critically, the budget for 2013-14 has also been agreed.</i>	BL and PN BL and PN BL BL BL	Across all points, success would be measured through: <ul style="list-style-type: none"> Ideally good predictions leading to good plans and not too many surprises Well informed organisation External acknowledgement of good methods, for example from external auditors 	Across all points. PN and BL to review progress and effectiveness with MT, portfolio holder and MTFP Task Group on quarterly basis.	Initial work to be completed late autumn 2012

Management Action Plan Risk 3a Community demands/expectations

Risk Owner John Bunnett

Likelihood	6				
	5				
	4				
	3		3a		
	2				
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
3a	3/2 Low/ Medium	2/2 Very Low/Medium	Risk that <u>the Council fails to fully understand levels of demand / fails to manage expectations / fails to remain relevant to the local community</u>
<p>Vulnerability: The Council is managing a reducing resource base at a time when the needs of the community are increasing e.g. people are living longer and many young people are not able to access employment. This is heightened by factors such as adverse economic conditions, and the introduction of the Universal Credit. There are also high expectations as to what the Council can deliver.</p>			

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
<ul style="list-style-type: none"> ■ Gathered core financial assistance to the Voluntary and Community Sector under the Single Grants Gateway, ensuring that funding aligns with the corporate priorities of the council ■ Developed role for a number of officers (see 4) to address the unique needs of a number of local communities ■ Large-scale community consultations are integral to the review of the Core Strategy ■ The council actively engages with community groups such as the Parish Forum and Kent Associations of Local Councils (KALC) ■ Gaining a stronger corporate picture of local economic, demographic and social factors to incorporate into more detailed policy-setting ■ Used existing and new partnerships to reach out and understand better the needs of local communities ■ Consulting / Implementing a new Council Tax Benefit scheme to comply with government policy ■ Begun implementation of wider Welfare Reform agenda. 	<p>Adequate but under continued pressure</p> <p>Adequate but need reviewing</p> <p>Good</p> <p>Good</p> <p>Adequate but improving</p> <p>Adequate</p> <p>Good</p> <p>Good</p>	<p><i>Consultation on new Discretionary Rate Relief policy complete, with a new policy to be agreed by Cabinet in April</i></p> <p>Annual review against the effectiveness of these arrangements to be completed during 2013.</p> <p>Continue to liaise with residents and community representatives over any substantive changes to council operations</p> <p>No uniform solution will be imposed on the unpunished area. Instead, individual aspirations of each Forum will be discussed with the council to agree ways forward.</p> <p>Agree a single set of Principles to govern any further work with communities (see 4) – this is improving, with particular focus on the Core Strategy Review.</p> <p>Extensive consultation completed and implementing from April. Public briefings are ongoing</p>	<p>Policy Team</p> <p>Paul Naylor</p> <p>Richard Alderton</p> <p>Kirsty Hogarth / Michelle Byrne</p> <p>Nicholas Clayton</p> <p>Policy Team</p> <p>Paul Naylor</p> <p>Paul Naylor</p>	<ul style="list-style-type: none"> ■ Lack of substantive objections to upcoming policy changes ■ New governance structure in urban area ■ New Business Rate Scheme agreed 	Annually	<p>Many are ongoing, organic projects rather than milestone</p> <p>[Milestones/deadlines]</p>

Management Action Plan Risk 3b Consequences of Universal Credit

Risk Owner Paul Naylor

Likelihood	6				
	5				
	4			3b	
	3				
	2				
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
3b	4/3 Significant/ Severe	3/3 Low/Severe	Risk that the Council fails to anticipate <u>the consequences of the introduction of the Universal Credit</u> / fails to fully prepare and manage the budget consequences
Vulnerability: The Council is managing a reducing resource base at a time when the needs of the community are increasing e.g. people are living longer and many young people are not able to access employment. This is heightened by factors such as adverse economic conditions, and the introduction of the Universal Credit. There are also high expectations as to what the Council can deliver.			

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
<p>1. Proactive involvement with government departments and other local authorities to understand and also help to inform development of UC.</p> <p>2. Internal working group to assess service and resident impacts</p> <p>3. Planned briefings for Management Team and involvement of members in service action planning</p> <p>4. Planed engagement with the voluntary and community sector to help develop action plans</p> <p>5. Intention to consider resource impacts and make recommendations accordingly</p> <p>6. Local communications strategy and plans in draft</p> <p>7. Already working with KCC on customer service and social fund transfer issues</p> <p>8. Particular attention to housing service and customer impacts, and therefore need for service, resource and policy change</p> <p>9. Intention to engage with the private rented sector, and to engage with younger people regarding awareness raising and signposting for assistance</p>	<p>Very well as the engagement gives ABC opportunities not open to many and provides some 'early warnings'.</p> <p>Officer working group established and working well, but needs now to engage in briefing and involving members.</p> <p>Foundation for VCS engagement established</p> <p>Capacity to do all that could be done will be challenging, so some prioritising needed.</p> <p>Platforms for engaging with tenants and private rented sector are present.</p>	<p><u>OVERALL - Extensive consultation completed and UC implementing from April. Public briefings are ongoing</u></p> <p>Internal officer group to summarise all the issues and options into summary reports for MT and members (establish a task group following consultation with cabinet)</p> <p>Use the VCS engagement to inform service options and action planning – <u>work ongoing to discuss relationship between council and the VCS</u></p> <p>Consider extent the council should and can enhance the VCS and its capacity to respond. – <i>as above</i></p> <p>Use the assessments to inform MTFP resource planning</p> <p>Take communications plans to members for consideration and then implement agreed plans - consider resource needs – <u>completed and implementation work now ongoing</u></p> <p>Agree with KCC the operation of the social fund and additional staff need</p> <p>Agree with KCC the service consequences for the Gateways and resources needed</p> <p>Continue to engage in national and representative group processes (such as the Local Government Delivery Council, the UC Impact Assessment Group, and the UC Operational Assessment Group - for all three ABC is in a privileged position as representing district councils), and learn from the pilot councils.</p> <p>Use the various consultation platforms we have to engage with residents and other stakeholders</p>	<p>Internal Officer Welfare Reform Working Group to oversee this plan, but then to transfer oversight to member task group.</p>	<p>UC is not a council reform, but a reform that will impact on many residents, who may well turn to the council for support in a number of ways, or to the VCS for advice and support.</p> <p>Success of UC is dependent on government and its design of the system.</p> <p>Success for the council will mean:</p> <p>* being well informed and transferring this to residents and other stakeholders</p> <p>* being seen to be supportive where possible* minimising disruption to affected residents where feasible</p> <p>* good contingency plans</p>	<p>Ongoing throughout the UC development programme to late 2013 and then beyond to full operation post 2015 - this is a long term issue</p>	<p>[Milestones/deadlines]</p>

Management Action Plan Risk 4 Opportunities for Localism Risk Owner John Bunnett

Likelihood	6				
	5				
	4				
	3			4	
	2				
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
4	3/3 Low/ Severe	2/3 Low/Severe	Risk of failing to continue to recognise opportunities for localism for the community / fail to take a clear leadership role/fail to be consistent around managing opportunities.
Vulnerability: It becomes a risk that the Council is not seen to facilitate the localism agenda in a constructive way, whilst ensuring that appropriate emphasis is attributed to the agenda.			

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
<ul style="list-style-type: none"> ▣ Officers assigned to 5 areas(Parishes) with particular local issues to help break down barriers and facilitate change ▣ Piloted a number of localism initiatives, such as the parish handyman scheme ▣ Increased the local influence and accountability of Ward Members through a local grant scheme ▣ Fully complied with the government's transparency agenda ▣ Taken a collaborative offer-member approach to implementing new community rights as set out in the Localism Act (Community Right to Challenge and Bid) ▣ Maintain a focus on the rural aspects of localism, as laid out in the Ashford 2030 framework ▣ Taken steps to begin addressing the unique challenges to localism posed by the unparished urban area ▣ Neighbourhood Planning and other instruments brought in by government 	<p>Adequate but need reviewing</p> <p>Adequate but need reviewing</p> <p>Good</p> <p>Good</p> <p>Good</p> <p>Good</p> <p>Adequate and ongoing</p> <p>Good</p>	<p><i>Review of this work due to be completed during 2013</i></p> <p>Develop key guiding principles for any further implementation of localist measures, or substantive community engagement e.g. financial assistance, procurement and long-term contractual obligations</p> <p><i>Review of grants is currently ongoing and officers will report in Q1 of the new financial year</i></p> <p><i>Ongoing – officers will feed in to any government consultations which come out</i></p> <p>Ensure that implementation is successful</p> <p><i>New Homes Bonus and Community Infrastructure Levy allow the council to begin addressing community needs, including rural.</i></p> <p><i>Awaiting government regulations regarding making parishing easier.</i></p> <p>Ongoing management and community liaison – <i>Neighbourhood Planning has already begun in Wye.</i></p>	<p>Policy Team</p> <p>Policy Team</p> <p>Policy Team</p> <p>Paul Naylor</p> <p>Nicholas Clayton</p> <p>Management Team</p> <p>Paul Naylor</p> <p>Richard Alderton</p>	<p>Set of principles to underpin all further discussions related to the localism agenda</p>	<p>6-monthly</p>	<p>3 months for agreed principles [Milestones/deadlines]</p>

Management Action Plan

Risk 5 Workforce Planning

Risk Owner

Michelle Pecci

Likelihood	6				
	5				
	4			5	
	3				
	2				
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
5	4/3 Significant/ Severe	3/2 Low/Medium	Risk of a lack of effective workforce planning / risk that key managers / staff leave and no obvious replacements are found.
Vulnerability: The Council needs to develop a more flexible workforce and in doing so assess what skills are required to meet current and future needs. It also needs to undertake effective succession planning to avoid being over reliant on key managers / staff who are leading the delivery and implementation of the Council's strategic plan.			

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
Some isolated succession plans are in place to deal with short term specific service based risks.	Adequate some improvement needed	Succession plans at service level- services will be supported in identifying posts that are key risks and potential successors and development needs during 2012 and 2013. This will become a process that needs monitoring and reviewing in light of turnover to maintain currency. NB- in light of the volume of projects in CH&P team this will be the first service to be supported in formalising a longer term approach to service succession	Personnel & Development and Services	All services have identified key posts and where there are no successors	Ongoing updates in response to people/role changes. Annual formal review	End Q2 first draft of CH&Ps available

		Delivery of a leadership development programme in early 2013 will mark the commencement of a formal approach to succession planning at senior management level. This approach will inform general management succession planning for the council.	Personnel & Development	Delegates, and the organisation are able to explain how their work had been positively impacted by the leadership programme	Course Evaluation throughout programme , formal review of impact of overall programme by December 2013.	Autumn 2012 delegates selected
Generic working is being implemented in areas where this risk has been identified as part of a general acceptance of the changing nature of the skills required within specific disciplines.	Adequate some improvement needed	Greater formalised generic and flexible working across teams and services. The introduction of the 'Eyes and Ears' reporting tool will open up opportunities for more flexible working practices.	Business Change and Technology	Improved responsiveness to customers, better use of resources.	Monthly as part of corporate project monitoring	April 2013
		More stringent job description review at recruitment stage to look for opportunities to introduce more flexible roles.	All Managers and Personnel & Development	All opportunities to improve flexibility of roles taken.	On going	Ongoing
		Skills audit which identifies current skills base and future skills requirements. This will inform a development needs analysis that will be delivered through the training budget. NB Immediate/short term Learning & Development needs are identified annually during the appraisal process and this process.	Personnel & Development and Services	Critical skills identified and development plans in place to address gaps	Annually as part of appraisal reviews	October 2012 proposal to MT on recommended method of audit

Management Action Plan

Risk 6 Members skills, capacity, experience Risk Owner Terry Mortimer

Likelihood	6				
	5				
	4				
	3		6		
	2		6		
	1				
		1	2	3	4
		Impact			

Risk Number	Current Risk Score	Target Risk Score	Description
6	3/2 Low/ Medium 2/2 Very Low/Medium	2/2 Very Low/medium	Risk that Members don't have the skills, capacity, experience required to respond effectively to the changing agenda / Risk of a lack of an effective training and capacity building process in place / Risk of a lack of assessment of skills.
<p>Vulnerability: Members are being asked to make decisions against a backdrop of an increasingly complex local government agenda e.g. new legislation, new ways of working, commercial opportunities etc. This is at a time when a number of new Members have joined the Council.</p>			

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review frequency	Key Dates
1. All key decisions by Members are taken with the benefit of professional advice from Officers.	Adequate	Ongoing provision of professional advice	Management Team	Successful outcomes from decisions	Ongoing	Ongoing
2. The Council has a dedicated Member Training Panel of eight elected members supported by senior officers which reports to Cabinet as required. The principal role of the Panel is to develop the post-election training and induction programme every four years to ensure new and returned Councillors are kept fully up to date on important Local Government and ABC issues. Councillors elected mid-term in by-elections also receive all written material provided as part of the normal induction process, and some specialist training e.g. on planning matters is also offered.	Adequate but some minor adjustments possible.	Raise profile of Member Training Panel by formally constituting it within ABC Constitution and introducing an agreed programme of regular meetings and annual reports to review training issues. <i>Annual meeting report in May/June looking back over the preceding year which will be reported onto Cabinet</i>	TM and KF	Report <i>taken</i> to Selection and Constitutional Review Committee <i>December 2012 and formal terms of reference for panel incorporated into constitution.</i>	Annually	Annual meeting of Panel and development of the 4-yearly Induction programme.
3. The effectiveness of induction training and wider ongoing individual member training needs are reviewed after the first year to establish whether Members consider they require particular further training etc.	Adequate but some minor adjustments possible.	Introduce an agreed programme of regular meetings and annual reports to review training issues (<i>see 2 above</i>)	TM and KF	Report to Member Training Panel - implement suggested improvements	Annually	Annual meeting of Panel and development of the 4-yearly Induction programme
4. ABC has a dedicated budget of £15K over the four year period to fund external training costs for members.	Adequate	Maintain current budget level	TM and KF	Adequate training provided from budget	Annually as part of budget setting process	Sept of each year

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review frequency	Key Dates
5. The most significant and high-profile potential risk in terms of Members lacking the necessary skills for decision-making arises in the field of town planning. In order to address this issue, ABC has a strict rule which requires all Councillors who sit on the Planning Committee (including substitutes) to have first undertaken specialist training on planning and probity matters.	Adequate	Continued, ongoing training to reflect changes in legislation and planning guidance.	TM & KF (and RA)	Number of successful planning appeals against decisions of the Planning Committee	Ongoing	N/A
6. ABC provides an IT allowance for every Councillor which supports the provision of good quality software to facilitate good communications and access to all relevant news and information services on the Internet.	Adequate	Ongoing provision of IT support.	TM & KF (and RN)	Provision of satisfactory service to Members	Annually as part of budget setting process	Sept of each year
7. Weekly electronic newsletters and media updates are provided to all Councillors which include links to enable Members to access relevant up-to-date material. (recent initiative)	Adequate	Maintain regular Members Update	TM & KF	Provision of satisfactory service to Members	After six months	N/A
8. Regular Officer briefings are held for all Councillors on a range of matters including major planning issues, ethical conduct, risk management procedures, major strategic projects etc.	Adequate	All Senior Manager to maintain briefings and updates as necessary	Management Team	Provision of satisfactory service to Members	Ongoing	N/A

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review frequency	Key Dates
9. All Service Heads hold regular Portfolio Holder briefings with their Portfolio Holder (and lead members where relevant) and Committee Chairmen to ensure he/she is up to date on all key issues relating to the Service/Committee.	Adequate	Continue regular briefings	Service Head & Management Team	Provision of satisfactory service to Members	Ongoing	N/A

Management Action Plan

Risk 7 Business Plan

Risk Owner

John Bunnett

Likelihood	6				
	5			7	
	4				
	3				
	2				
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
7	4/3 High/ Severe	3/3 Low/Severe	Risk of an ongoing lack of effective prioritisation of <u>the Business Plan</u> from members and officers.
Vulnerability: It becomes a perception that the Business Plan is not a living document and that there is a lack of effective prioritisation from members and officers – they find it hard to say ‘no’ and therefore new priorities are competing with existing priorities for resources.			

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
<ul style="list-style-type: none"> ■ Business Plan summary document available publically on the website ■ Monthly update report on Business Plan presented and discussed at Management Team, alongside savings schedule from Finance ■ Updating on the Business Plan represents a cornerstone of the Chief Executive's staff briefings, as well as other internal communications. ■ Ongoing dialogue within management team and with cabinet members to focus on priorities ■ Quarterly performance report to members, Parish councils and residents (via website) 	<p>Adequate</p> <p>Good</p> <p>Good</p> <p>Adequate</p> <p>Good</p>	<p>Comprehensive service planning process to ensure BP priorities are reflected and acknowledged in individual services</p> <p>Annual report on current achievement and future areas of focus; including a commitment to ensure completion of the business plan by 2015.</p> <p><i>Policy Team working on aligning</i> Business Plan Priorities, Ashford 2030, Core Strategy Review and other strategic documents. <i>This will feed in to service planning</i></p> <p><i>The final quarterly performance monitoring report will include annualised data, and a refresh of service performance information is planned before 2013/14 reporting begins.</i></p>	<p>Policy Team</p> <p>John Bunnett / Communications</p> <p><i>Kirsty Hogarth</i></p> <p>Nicholas Clayton</p>	<p>Service Planning documents</p> <p>Report to Management Team on a strategic overview</p> <p>Content of next staff briefings</p>	<p>Annually</p>	<p>All before next review [Milestones/deadlines]</p>

Management Action Plan

Risk 8 Housing

Risk Owner

Tracey Kerly

Likelihood	6				
	5				
	4			8	
	3				
	2				
	1				
		1	2	3	4
		Impact			

Risk Number	Current Risk Score	Target Risk Score	Description
8	4/3 Significant/ Severe	3/3 Low/Severe	Risk of failing to manage the <u>housing landlord role and the demands for housing.</u>
<p>Vulnerability: The Council is a major landlord and has recently taken on a significant loan in order to gain complete control of the 'landlord account'. There are considerable demands on the housing waiting list and a requirement to meet the housing needs of an expanding population and an ageing demographic. The government's welfare reforms will have a number of impacts on the housing service. There are risks inherent in the delivery of the solutions to meet demand and maintain a good and effective housing service.</p>			

<p>HRA Business plan priorities addresses aging population, energy efficiency, adaptations, and environmental improvements.</p> <p>Resources within the HRA are reviewed and matched to areas of pressure. Business reviews are undertaken twice yearly with each CHAP's manager.</p> <p>Planned maintenance programme re-balanced as income levels change</p> <p>Control of the loans to manage the debt are shared between Finance and HRA and loans fixed for varying periods to maximise use of debt</p>		<p>Under occupation will be addressed as part of the 5 year renewal and larger properties will be released for waiting list applicants.</p> <p>Options to support those under occupying to take in Lodgers to occupy vacant bedroom space.</p> <p>Targeted communications and regular communications.</p> <p>Increasing/improving sheltered housing schemes, opportunity to manage the needs of the aging population and encouraging downsizing.</p> <p>More energy efficient homes to gives tenants more affordability.</p> <p>4 year maintenance plan issued and may require communicating changes should income levels drop significantly.</p> <p>Regular review with the Head of accountancy.</p>	<p>Bob Smart</p> <p>Chris Tillin</p> <p>Tracey Kerly</p>	<p>More available family units to let.</p> <p>Less single people seeking housing</p> <p>older tenants taking up cash incentive to move to smaller homes.</p> <p>Some changes already as a result of interest rate movements</p>	<p>Customer satisfaction rates in the high 90's for responsive repairs, planned maintenance and general satisfaction.</p> <p>At least quarterly</p>	
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Management Action Plan

Risk 9 Infrastructure

Risk Owner

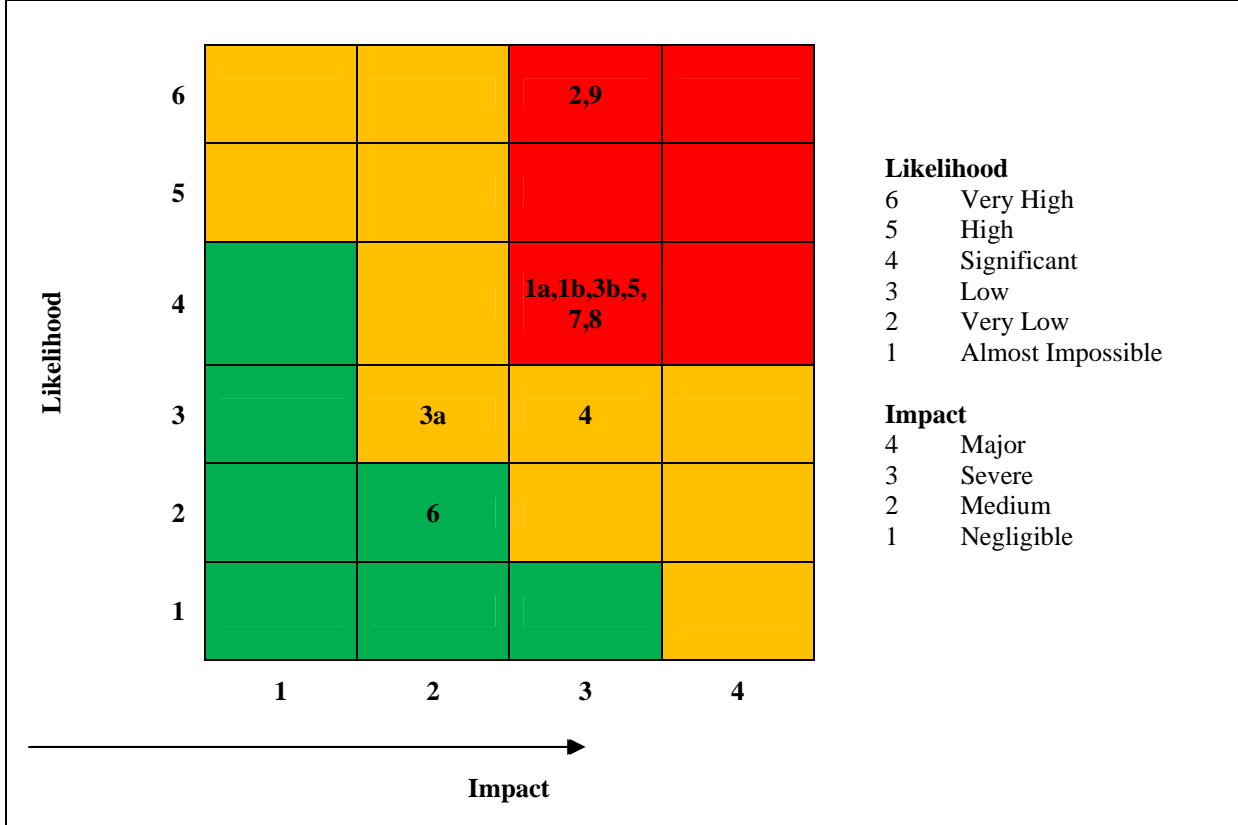
Richard Alderton

Likelihood	6			9	
	5				
	4				
	3				
	2				
	1				
		1	2	3	4
	Impact				

Risk Number	Current Risk Score	Target Risk Score	Description
9	6/3 Very High/ Severe	5/3 High/Severe	Risk of not having the right funding at the right time for the right infrastructure / Risk of over focussing on physical infrastructure at cost of social infrastructure.
Vulnerability: The Council is planning the timely implementation of infrastructure in a volatile funding context / difficult economic climate.			

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
Monitoring of use of s106 to secure contributions to deliver essential infrastructure	Adequate	This annual process will be widened to include an assessment of the strategic commitments that exist to repay transport infrastructure at J9/ 10 of the M20 through the Regional Infrastructure Fund and South of Ashford Transport Study	Lois Jarrett	Clear picture of level of commitments and impact on other requirements	Annual to Cabinet – June cycle	[Milestones/deadlines]
Review of transition from s106 funding to Community Infrastructure Levy/ s106 and the implications	Required	Report needed to Planning Task Group to prompt debate on this.	Simon Cole	Agreed position and way forward based on good understanding of the issues	Jan <u>Spring</u> 2013	
Preparation of infrastructure plan and process for prioritising provision	Required	Underway – to be discussed with Planning Task Group and partner agencies	Richard Alderton/ Simon Cole	Explicit, agreed plan to enable clear decision making and spend of CIL	Spring 2013	
Preparation of draft CIL 'charging schedule' as a basis for consultation, submission and independent examination.	Required	Underway - to be discussed with Planning Task Group and then formally agreed by the Council – <u>linked to timing of the Core Strategy review</u>	Simon Cole	Robust basis for rolling out CIL and collecting future contributions	Spring 2013	
<u>Work with private sector and other agencies to seek to secure improved motorway access at junction 10A – NSIP process currently underway</u>	<u>Adequate</u>	<u>Developer led process underway – full assessment of capacity and other related implications needed in response to the NSIP process</u>	<u>Richard Alderton/ Lois Jarrett</u>	<u>Acceptable solution achieved that can be funded and delivered</u>	<u>Ongoing</u>	

**ASHFORD BOROUGH COUNCIL
STRATEGIC RISK PROFILE February 2013
RISK MATRIX**



Risk No	Strategic Risk	Score
1a	Economic Growth	4/3 Significant/Severe
1b	Mix & Quality of Housing	4/3 Significant/Severe
2	Volatile Income Streams	6/3 Very High/Severe
3a	Community Demand & Expectations	3/2 Low/Medium
3b	Consequences of Universal Credit	4/3 Significant/Severe
4	Localism	3/3 Low/Severe
5	Workforce Planning	4/3 Significant /Severe
6	Members skills, capacity & experience	2/2 Very Low/Medium
7	Business Plan	4/3 Significant/Severe
8	Housing	4/3 Significant/Severe
9	Infrastructure	6/3 Very High/Severe