

Agenda Item No: 8
Report To: **Audit Committee**
Date: 18 March 2014
Report Title: Six Monthly Strategic Risk Update
Report Author: Ian Cumberworth – Internal Audit Manager
Brian Parsons – Head of Audit Partnership



Summary:	The report sets out the current position in respect of the Council's strategic risk management arrangements.
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Key Decision: No

Affected Wards: N/A

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

1. Note and agree the changes to the strategic risk scores in terms of 'likelihood' and 'impact'.
2. Note the actions that are being taken to manage the risks (as shown in the attached appendix) and confirm that it is satisfied with the actions.

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 Update

Purpose of the Report

1. The report sets out the arrangements in place for Strategic Risks and reflects the position after the recent risk update exercise undertaken in February 2014. Management Action Plans have been updated and amended to reflect the action 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 taken to manage the Council's strategic risks.

Issue to be Decided

3. The Audit Committee is asked to agree the amendments to the risk scores, in terms of likelihood and impact, and to confirm that it is satisfied with the action that is being taken to manage the Council's strategic risks

Background

4. The Council is committed to the effective management of risk and utilised Zurich Municipal Risk Management Services to undertake a fundamental review of strategic risk in 2012.
5. The Council needs to manage risks effectively as part of its overall governance arrangements. The Audit Committee has a crucial role in this process.
6. Senior managers (risk owners) have reviewed their allocated risk and have now adjusted the risk profile (in terms of likelihood and impact) as appropriate to reflect the changing risk environment and the actions that have previously been taken to manage the risk.
7. The following table sets out the movements in the risks since the previous report to the Committee in September 2013.

	<u>Corporate Strategic Risk (CSR)</u>	<u>Target Score</u>	<u>Score as at September 2013</u>	<u>Movement</u>	<u>Current score March 2014</u>
1a	Economic Growth	3/2	4/3	↔	4/3
1b	Right mix of quality housing	3/3	4/3	↔	4/3
2	Volatile Income Streams	5/2	6/3	↓	5/2
3a	Community Demands	2/2	3/2	↔	3/2

3b	Consequences of Welfare Reform	3/3	4/3	↓	3/3
4	Opportunities for Localism	2/3	3/3	↔	3/3
5	Workforce Planning	3/2	4/3	↓	3/3
6	Members skills, capacity & experience	2/2	3/2	↔	3/2
7	Business Planning	3/3	4/3	↔	4/3
8	Housing	3/3	4/3	↓	3/3
9	Infrastructure	5/3	6/3	↔	6/3

Key

(Likelihood: 1 Almost impossible, 2 Very Low, 3 Low 4, Significant, 5 High, 6 Very High)
 (Impact: 1 Negligible, 2 Medium, 3 Severe, 4 Major)

8. Of the eight risks that were within the 'red risk area' in September 2013, four risk scores have now improved in terms of their scoring:

- CSR 2 Volatile Income streams and MTFP
- CSR 3b Consequences of Welfare Reform
- CSR 5 Workforce Planning
- CSR 8 Housing.

Four risks remain in the 'red risk area' at March 2014.

- CSR 1a Economic Growth
- CSR 1b Right mix of quality housing
- CSR 7 Business Planning
- CSR 9 Infrastructure

9. The consolidated risk profile matrix is shown at Appendix 1. The shaded (red) top right hand area of the matrix represents the authority's highest risks.

Action Plans

10. Each risk owner is required to update their risk management action plan every six months. Action plans set out the target score for each risk to move to and the actions being taken by management to manage/mitigate the risks together with details of the risk vulnerability.

11. The detailed action plans (Appendix 2) 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 the risk owner 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

12. 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.
13. 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

14. 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

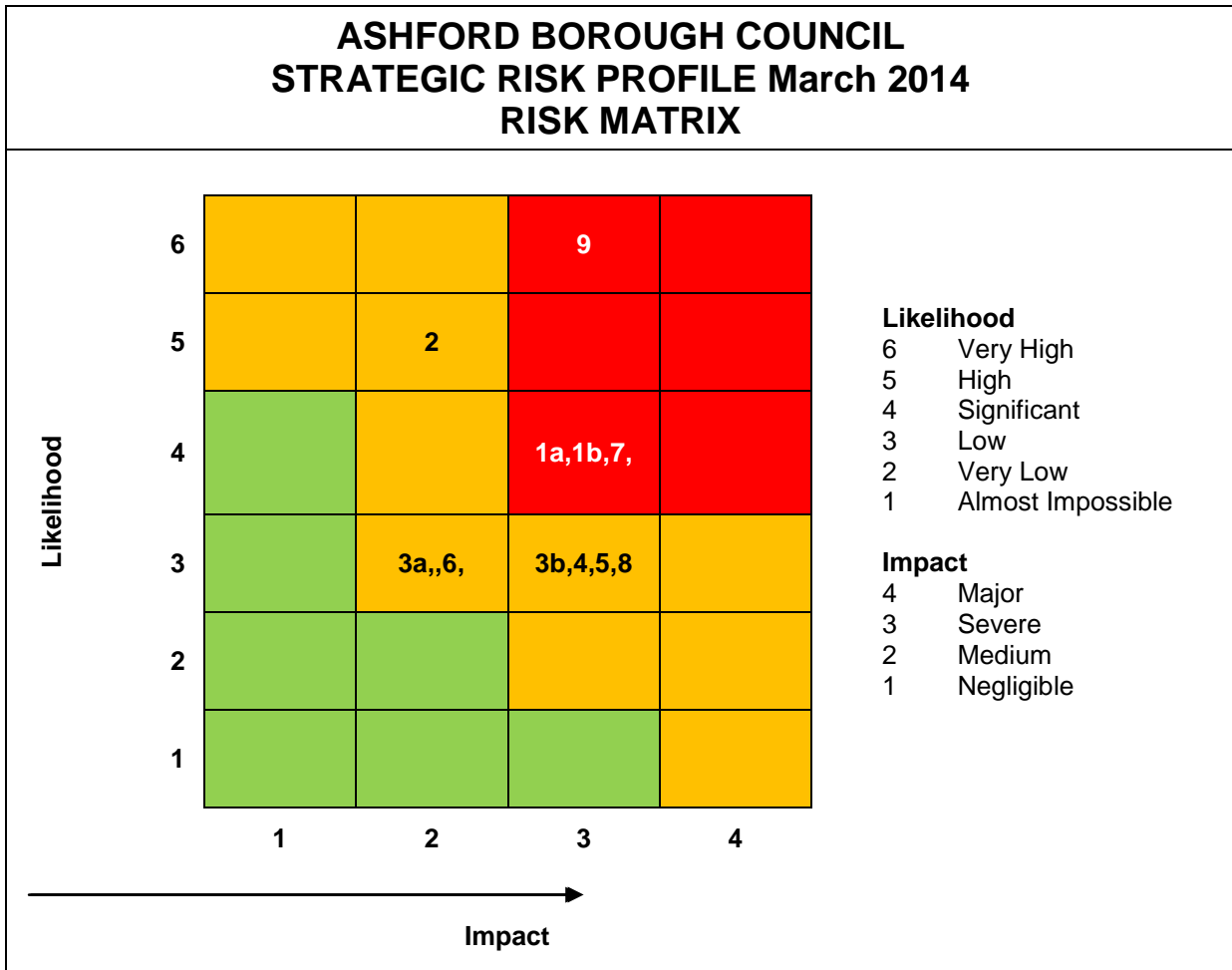
15. The risk owners are responsible for the management of their risks.

Implications Assessment

16. A strategic risk register with proper arrangements in place for monitoring the management of the risks is a vital element of the Council's governance/strategic management arrangements

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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	5/2 High/Medium
3a	Community Demand & Expectations	3/2 Low/Medium
3b	Consequences of Welfare Reform	3/3 Low/Severe
4	Opportunities for Localism	3/3 Low/Severe
5	Workforce Planning	3/3 Low/Severe
6	Members skills, capacity & experience	3/2 Low/Medium
7	Business Plan	4/3 Significant/Severe
8	Housing	3/3 Low/Severe
9	Infrastructure	6/3 Very High/Severe

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

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

Risk Number	Current Risk Score	Target Risk Score	Description
1a	4/3 Significant/ 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
<p>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. As the market improves this risk will diminish.</p>			

Actions/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Critical success factors (outcome)	Review Frequency		
Promotion of economic development through dedicated ED team with increased staffing; planning – targeted approach to major employment schemes and 'business friendly' service, site negotiations and approvals; media and marketing activities	Adequate – additional staffing recruited and a targeted approach being taken to key projects	Continued focus on 'economic growth' approach across the Council as part of the medium term financial strategy and the Unit's own priority approach to business activity. Resource levels need to be kept under review for major applications handling – current proposals to increase resources to cope with the large peak in major schemes over the next 2 years.	Richard Alderton	Identify additional actions to promote economic activity - promote those that exist already	3 months	[Milestones/deadlines] [deadlines/milestones]	
Intervention by the Council to deliver the Commercial Quarter – in process of purchasing International House and surrounding land and then committed to bringing forward a phase 1 office proposal	Adequate – due diligence carried out and measures to share risk of development with private sector being pursued	Carefully risk assessed approach to bring forward development in an emerging market without undue risk exposure for the Council. Management of property assets to maintain strong income flow as central Government direct grants to local authorities reduce.	John Bunnett	Progress in bringing forward phase 1 office scheme; maximising rental income stream from well managed investment	3 months		
Range of partnership activity with the <i>Strategic Delivery Board</i> , Locate in Kent, Homes and Communities Agency and others	Adequate	Strategic Delivery Board set up to help drive project delivery. Regular meetings are held to review progress and stimulate action with the HCA. East Kent Regeneration Board continues to address collective input that can be applied to economic objectives <i>and secure maximum investment into Ashford and East Kent from the South</i>	Richard Alderton	'Big 8' project delivery progress and financial support achieved through the LEP and other funding	3 months		

<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 and injection of new ED staffing resources is now helping to deliver projects</p>	<p><i>East LEP</i>. Regular working with LIK continues.</p> <p>Key areas are now being delivered - (e.g. the town centre through the Town Team, the Town Team Manager in post and TCAT); 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.</p>	<p>Andrew Osborne</p>	<p>sources</p> <p>Concentrate resources on key priorities and apply any extra on a risk assessed basis to new opportunities</p>		
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**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 <u>the right mix and quality of housing</u> – 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. The market has generally responded positively and reports to Committee routinely address this issue.	Lois Jarrett	High quality living conditions and community building	Annual	
'Quality Agreement' approach being trialled at Chilmington Green with the potential to be adopted elsewhere	Adequate	Quality Agreement signed by developer team and work underway to link it to the emerging Design Code for the area and to produce a business plan for the Quality Monitoring Team	Richard Alderton	Developer team sign up to Quality Monitoring Team and completion of Design Code; Quality place making; quality build and full attention to community development	Annual	
Implications of policy relaxations and deferred payments needs to be kept under review	Adequate	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). An improving market increases the prospect of securing contributions that were deferred.	Richard Alderton	Adequate mix of housing delivered to address needs as far as possible	3 months	[Milestones/deadlines]

Master plans 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; member reviews of completed development underway; specific approach being taken at Chilmington Green which will be taken forward in phase master-plans.	Richard Alderton	Understanding and support for clear set of development objectives to drive high quality living environments and 'place-making'.		
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Management Action Plan

Risk 2

Volatile Income Streams –

Medium Term Financial Planning

Risk Owner Paul Naylor

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

Risk Number	Current Risk Score	Target Risk Score	Risk Description
2	5/2 High/Medium	5/2 High/Medium	The possibility that financial planning assumptions about key income streams are affected by volatility through the changing legislative and economic environment
<p>Vulnerability: The Council's medium term planning assumptions about income streams are vulnerable to a number of factors including: recent legislative change introducing local council tax support schemes; local partial retention of business rates; new homes bonus, and also economic conditions impacting on local service income and returns on investments.</p>			

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control Current position at March 2014	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates	
1. Robust medium term financial and service planning, informed by reasonable data and assumptions	Good	MTFP process is further developing to ensure stronger awareness and direct input by Leader and cabinet in plan formulation. Furthermore, the assumptions are now formally scrutinised through the Overview and Scrutiny Committee's budget scrutiny task group. The finance team has developed its processes that provide the data needed to make informed forecasts. From April 2014 a reorganisation of financial services will take effect designed to enhance both the resource and focus needed to effectively manage the council's strategic income risks and opportunities.	BL and PN	<p>Across all points, success would be measured through:</p> <ul style="list-style-type: none"> Ideally good predictions leading to good plans and not too many surprises Effective scrutiny 	<p>Across all points</p> <p>PN and BL to review progress and effectiveness with MT, Leader, and portfolio holder on periodic basis.</p>	Initial work to be completed for an autumn Budget Statement to Cabinet, autumn 2013. Completed	
2. Regular income monitoring through budget management (council tax, business rates yield, new homes bonus and service income)	Good	New data processes to review monthly council tax and business rates yields are in place and monitoring is now ongoing. Results now inform routine budget monitoring and financial planning work through the leader and cabinet briefing process and reports to cabinet.	BL and PN	<ul style="list-style-type: none"> Well informed organisation External acknowledgement of good methods, for example from external auditors 	<p>Formal reports on MTFP at least twice yearly and available for scrutiny input.</p>		
3. Development of corporate data sets that enhance knowledge of business rates growth and risks, and in-year progress with the council tax base for new homes bonus purposes; plus service usage and demand trends to inform financial planning.	Developing	Collection of other data to improve corporate understanding of local economic impacts is being organised by our planning policy and finance services. The development work is still ongoing. Finance and the DCX will keep all data processes under review to ensure regular monitoring works smoothly. We will refine the corporate data set as appropriate and set up bi-monthly cross-service discussions to analyse and evaluate results. Outcomes from these processes will strengthen the basis for medium term planning assumption.	BL/strategic planning policy team				

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control Current position at March 2014	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
4. Flexible financial and service management ability to adjust priorities or to take corrective actions	Good	Keep financial management controls and procedures under review to ensure decision-making protocols are appropriate if circumstances change. Note our financial management arrangements continue to be well-regarded by our external auditors, as commented on in the annual audit letter.	BL			
5. 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 foundation to build on with current arrangements	The finance team along with the DCX has maintained regular briefings for the management team and members on importance of managing income opportunity and risk and of legislative developments in this area. Furthermore the briefings to the council tax and welfare reform task group ensure members are well-informed on matters specifically relating to the government's welfare reforms.	BL			
6. New income generating opportunities and risk	Good	More emphasis is now given in the council's business plan and budget to generating new sources of income from less traditional methods (for example the creation of the council controlled companies) using legislation now available.. A key objective of the medium term plan is the aim to substitute new income from more commercial approaches for vastly dwindling general revenues grants from government. Appropriate governance arrangements ensure that risks associated with income generation from more commercial approaches are managed.				

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	Risk Description
3a	3/2 Low/ Medium	2/2 Very Low/Medium	The possibility that <u>the Council fails to fully understand levels of demand / fails to manage expectations / fails to provide relevant services to the local community</u>
<p>Vulnerability: The Council continues to manage a reducing resource base at a time when the needs of the community are increasing, for example as a result of extreme weather events. 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, especially when coupled with a decreased guarantee of government funding and year on year budget pressures.</p>			

Action/controls already in place	Adequacy of action/control to address risk	Current position (March 2014)	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
<ul style="list-style-type: none"> ■ Aligned funding to VCS with the corporate priorities of the council through SGG 	Adequate but under continued pressure	In recognition of the difficult financial situation faced by the Voluntary & Community Sector, in February 2014 Cabinet agreed to maintain discretionary rate relief allocations at current levels for two years.	Policy Team		Annually	Many are ongoing, organic projects rather than milestone [Milestones/deadlines]
<ul style="list-style-type: none"> ■ Rolled out liaison officers to local communities (see 4) 	Adequate Good	A Review of the VCS will be conducted during 2014 Liaison officers offer ongoing communications and facilitation mechanism in certain rural areas	Paul Naylor			
<ul style="list-style-type: none"> ■ New corporate strategy (Focus 2013-15) agreed by Cabinet in October 2013 	Good	Published on the Council's website; enhanced resources agreed to enable delivery of important projects	Policy Team			
<ul style="list-style-type: none"> ■ Community consultations are integral to the review of the Core Strategy – since the start of 2013 almost 30 community meetings have been held to help develop it 	Good		Richard Alderton	Lack of substantive objections to upcoming policy changes		
<ul style="list-style-type: none"> ■ The council actively engages with community groups such as the Parish Forum, Kent Associations of Local Councils (KALC) and urban community forums 	Good	Continue to liaise with residents and community representatives over any substantive changes to council operations e.g. finance through Parish Finance Working Group	Policy Team			
<ul style="list-style-type: none"> ■ Understanding of local economic, demographic and governance issues to incorporate into more detailed policy-setting 	Adequate and improving	Ongoing – new community governance options for the Ashford urban area are currently being explored. Community Urban Forums are currently undertaking consultation	Policy Team	A compliant exercise to review community governance arrangements		
<ul style="list-style-type: none"> ■ Used existing and new partnerships to reach out and understand better the needs of local communities 	Adequate	Ongoing to maintain active engagement and membership of strategic partnership groups i.e. Health & Well Being Board, Community Safety Partnership, Ashford Strategic Delivery Board	Paul Naylor			

<ul style="list-style-type: none"> ■ Consulting / Implementing a new Council Tax Benefit scheme to comply with government policy ■ Begun implementation of wider Welfare Reform agenda. 	<p>Good</p>	<p>Local scheme for 2014/15 implemented following Members' review and public consultation. Substantial focus on welfare reforms achieved through partnership working and a Member Task Group focus</p> <p>Partner meetings held to discuss a mutual approach and to monitor the situation</p>	<p>Pa`ul Naylor</p>	<p>New Business Rate Relief Scheme agreed</p>		
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Management Action Plan Credit

Risk Owner Paul Naylor

Risk 3b Consequences of Welfare Reform, including Universal

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

Risk Number	Current Risk Score	Target Risk Score	Risk Description
3b	3/3 Low/Severe	3/3 Low/Severe	The possibility the Council fails to anticipate <u>the consequences of the welfare reforms including 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 Current Position at March 2014	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 Universal Credit (UC).</p>	<p>Good</p>	<p>Internal officer group working well with the local DWP partnership manager on plans and to keep the cabinet's council tax and welfare reform task group abreast of and prepare recommendations for the council's proactive response to welfare reform and UC plans. A jobs focused partnership agreement with Jobs Centre Plus agreed by Cabinet with action plans now being taken forward. Practical planning for a UC support services delivery partnership (in conjunction with local partners from DWP/KCC/the voluntary sector/housing providers) now underway with potential for a formal UC pilot partnership.</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> <ul style="list-style-type: none"> * being well informed and transferring this to residents and other stakeholders * being seen to be supportive where possible * minimising disruption to affected residents where feasible * good contingency plans 	<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>	

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control Current Position at March 2014	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
2. Internal working group to assess service and resident impacts	Good	- Officer group is routinely gathering data to measure the welfare reform service impacts. Monthly data are now also provided by the local CAB. The data are summarised and reported to the bi-monthly cabinet 'council tax and welfare reform' task group. April Cabinet meeting to receive comprehensive 2013-2014 annual impact report.				
3 Planned briefings for Management Team and involvement of members in service action planning	Good	Extensive briefings to officers and members carried out during 2013. Further, but specific to UC, briefings form part of the above Task Group's agenda, and will be rolled out more generally when more detailed plans for UC are available from government.				
4. Planned engagement with the voluntary and community sector to help develop action plans	In development	Good working relationship on welfare reform established with the local CAB. In March 2014 the second council and voluntary sector welfare reform review meeting took place as part of the council's aim to understand and assist with impacts for the voluntary sector.				

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control Current Position at March 2014	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
5. Intention to consider resource impacts and make recommendations accordingly	Good	<p>– Has been a regular focus for the internal officer group with various adjustments to staffing, systems and support for the local CAB being made both prior to welfare reforms introduction in April 2013 and subsequently. Indications are that measures taken have been effective and demands on services now stabilised. Funds for this are coming mostly from government and via the use of KCC's 'council tax support' administration grant (a grant available for three years).</p>				
6. Local communications strategy and plans in draft	Excellent	<p>ABC has developed a comprehensive communications plan for welfare reform. Good information and media briefings available in various formats. This has included advice for residents regarding 'pay day' loans and more recently publicity concerning the council tax support scheme for 2014-2015..</p> <p>ABC has continued its proactive stance with our local banks to encourage them to promote their free basic banking facilities at the gateways. April Cabinet to receive proposals to help publicise the role and advantages of the Kent Savers Credit Union.</p>				

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control Current Position at March 2014	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
7. Already working with KCC on customer service and social fund transfer issues	Good	Risk reduced for ABC since KCC decided to operate the social fund scheme at county level from April 2013. However KCC's position with the scheme is less certain as central government has announced possible discontinuation of funding support from 2015. On council tax support KCC is providing a significant grant to each district council for three years to help districts with pressures on administrative and customer services. ABC has used some of this grant for extra customer and back offices processing services.				
8. Particular attention to housing service and customer impacts, and therefore need for service, resource and policy change	Good	The internal working group and the member task group are closely focusing on housing and customer impacts. Specifically the impacts of the new 'welfare intervention officer' posts are reported and evaluated, with good outcomes so far achieved.				
9. Intention to engage with the private rented sector, and to engage with younger people regarding awareness raising and signposting for assistance	Good	– The communications plan covers all these aspects and work is currently ongoing.				

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	Risk Description
4	3/3 Low/ Severe	2/3 Low/Severe	The possibility of failing to continue to recognise <u>opportunities for localism</u> for the community / fail to take a clear leadership role/fail to be consistent around managing opportunities.
Vulnerability: A risk that the Council is not seen to place appropriate emphasis on the localism agenda.			

Action/controls already in place	Adequacy of action/control to address risk	Current position (March 2014)	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
<ul style="list-style-type: none"> ▣ Officers assigned to 4 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 officer-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, council now has a Portfolio Holder with responsibility for rural issues 	<p>Adequate</p> <p>Good</p> <p>Good</p> <p>Good</p> <p>Good</p> <p>Good</p>	<p>[see 3a]</p> <p>Embedded in a couple of areas, further investigation will be undertaken as part of the Council's new grounds maintenance contract</p> <p>First year of grants was reviewed and reported to Cabinet in June. Second year now in place and funding increased for 2013/14, although question as to whether this level will be sustained.</p> <p>Ongoing – officers will feed in to any government consultations which come out</p> <p>Following initial implementation, refinements have been proposed and will be submitted to Cabinet in a report in April 2014</p> <p>New Homes Bonus and Community Infrastructure Levy allow the council to begin addressing community needs, including rural. NHB Policy in process of development</p>	<p>Policy Team</p> <p>Policy Team</p> <p>Policy Team</p> <p>Paul Naylor</p> <p>Policy Team</p> <p>Policy Team & Planning Policy</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>

Action/controls already in place	Adequacy of action/control to address risk	Current position (March 2014)	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
<ul style="list-style-type: none"> ■ Taken steps to begin addressing the unique challenges to localism posed by the un-parished urban area ■ Neighbourhood Planning and other instruments brought in by government 	<p>Adequate and improving</p> <p>Good</p>	<p>[see 3a]</p> <p>Ongoing management and community liaison – Neighbourhood Planning has begun in Wye and Rolvenden, whilst also recently agreed for Bethersden</p>	<p>Policy Team</p> <p>Planning</p>			

Management Action Plan

Risk 5 Workforce Planning

Risk Owner

Michelle Pecci

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

Risk Number	Current Risk Score	Target Risk Score	Description
5	3/3 Low/ 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	<p>Management and leadership development heavily invested in during 2013/14 helping services prepare for future turnover and change. Service level succession plans held locally by service managers as part of resilience planning and resource planning. Some further work at Strategic Management level to commence during early 2014/15. All succession plans to be monitored and reviewed by services in light of turnover to maintain currency and in response to potential future staff reductions.</p> <p>supported in formalising a longer term approach to service succession</p>	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
		<p>The second cohort of the leadership development programme commenced in July 2013 and other management development training is cascading to officers at other levels.</p>	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 Q1 2014/15	Cohort 2 completed April 2013

<p>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.</p>	<p>Adequate some improvement needed</p>	<p>Greater formalised generic and flexible working across teams and services. The introduction of the 'Eyes and Ears' reporting tool has been introduced and is currently being tested.</p> <p>IT are working on other technology solutions to support services in more efficient working and members have approved additional funding for an IT Systems Developer to help progress this work stream</p>	<p>Business Change and Technology</p>	<p>Improved responsiveness to customers, better use of resources.</p>	<p>Monthly as part of corporate project monitoring</p>	<p>April 2013</p>
		<p>More stringent job description review at recruitment stage to look for opportunities to introduce more flexible roles. A 'generic manager' approach has been introduced by Health, Parking & Community Safety and will be model other services will follow as opportunities arise. This will enable the team to deploy its resources as efficiently and effectively as possible to be able to respond to demands.</p>	<p>All Managers and Personnel & Development</p>	<p>All opportunities to improve flexibility of roles taken.</p>	<p>On going</p>	<p>Ongoing</p>

		<p>Recommendation to introduce a generic enforcement team to be bought forward during Qtr1 2014/14</p>				On-going
		<p>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.</p> <p>Skills repository to be rolled out as part of the new intranet to assist the council in deploying skills more effectively whilst providing development opportunities for staff</p> <p>Immediate/short term Learning & Development needs are identified annually during the appraisal process and this process.</p>	Personnel & Development and Services	Critical skills identified and development plans in place to address gaps	Annually as part of appraisal reviews	Training needs analysis Q1

Management Action Plan

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

Likelihood	6				
	5				
	4				
	3		6		
	2				
	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	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. Annual meeting report in May/June looking back over the preceding year which will be reported onto Cabinet	TM and KF	Report taken to Selection and Constitutional Review Committee December 2013 and formal terms of reference for panel incorporated into constitution.	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 (see 2 above)	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 Planning

Risk Owner

John Bunnett

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

Risk Number	Current Risk Score	Target Risk Score	Risk Description
7	4/3 Significant/ Severe	3/3 Low/Severe	The possibility of an ongoing lack of effective prioritisation of business planning from members and officers.
Vulnerability: A perception that business planning does not reflect a coherent direction for the work of the Council and its partners.			

Action/controls already in place	Adequacy of action/control to address risk	Current position (March 2014)	Responsibility for action	Critical success factors (outcome)	Review frequency	Key dates
<ul style="list-style-type: none"> ■ Updated business planning documents available publicly on the website ■ Updates on Business Plan presented and discussed at Management Team when appropriate, alongside savings schedule from Finance ■ Updating on the business planning represents a cornerstone of the Chief Executive's staff briefings, as well as other internal communications. ■ Corporate Strategy set and appropriately reviewed when necessary ■ Quarterly corporate performance report to members, Parish councils and residents (via website) 	<p style="text-align: center;">Good</p> <p style="text-align: center;">Adequate</p> <p style="text-align: center;">Good</p> <p style="text-align: center;">Good</p> <p style="text-align: center;">Good</p>	<p>Available on website</p> <p>Project Planning is ongoing for priority projects. With the council's new 'Focus' strategy agreed, a complementary performance management arrangement for use by Management team will be developed during 2014.</p> <p>Annual report on current achievement and future areas of focus being developed for April 2014, via report to Cabinet.</p> <p>Refreshed Corporate Strategy (Focus 2013-15) agreed in October 2013</p> <p>Town Centre Project Delivery Framework for 2014-16 agreed, alongside an Ashford Strategic Delivery Board to deliver priority projects (Big Six +)</p> <p>Ongoing. Most recent report to Cabinet was February 2014</p>	<p>Policy Team</p> <p>Policy Team</p> <p>John Bunnett / Policy Team / Communications</p> <p>Policy Team</p> <p>Policy Team</p>	<p>Service Planning documents</p> <p>Quarterly reporting of strategic information to Management Team</p> <p>Content of next staff briefings</p>	<p>Annually</p>	<p style="text-align: center;">All before next review [Milestones/deadlines]</p>

Management Action Plan

Risk 8 Housing

Risk Owner

Tracey Kerly

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

Risk Number	Current Risk Score	Target Risk Score	Description
8	3/3 Low/ 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>			

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>Tenancy Strategy now in place following the cabinet on the 13th Sept 1212this will address 5 year tenancies.</p>		<p>estate management team to assist in resilience. Implications of welfare reform will effect collection rates, flexibility on DD dates to coincide with welfare payments, to be reviewed. 2 Welfare intervention officers have been appointed to support customers effected by welfare reform,</p> <p>Under occupation in tenancies is being reviewed and focussed communications targeted to those effected by the bedroom tax.</p> <p>Direct payment pilots being monitored closely to indentify the potential impacts and mitigate against loss of income</p> <p>[new actions/controls required to manage the risk down to its target score]</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. Tenants targeted to Mutual Exchange to smaller homes, ME's have increased.</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
<p>HRA Business plan priorities addresses aging population, energy efficiency, adaptations, and environmental improvements. 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>Stock holding authorities are now approaching the end of the second year since HRA financial reform. Ashford have reinforced the processes management of the council's housing stock of just over 5,000 properties</p>		<p>Targeted communications and regular communications. HRA BP modelling to take place Aug 14 to ensure assumptions and debt repayment are on target</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>Regular quarterly meetings of officers to update and review the financial projections, an annual paper to the cabinet updating them on any changes, particularly due to external factors such as changes to Government policies and changes in inflation. In addition the council also meets the newly</p>	<p>Bob Smart/Ben Lockwood</p> <p>Chris Tillin</p> <p>Tracey Kerly</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>	

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
		introduced CIPFA Voluntary Code for Self-Financed Housing Revenue Account.				

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	
Review of transition from s106 funding to Community Infrastructure Levy/ s106 and the implications	Required	Further reports to Planning Task Group will continue to debate on this issue, in parallel with the wider debate on Local Plan review timetable	Simon Cole	Agreed position and way forward based on good understanding of the issues	6 months	
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	Late 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 – linked to timing of the Core Strategy review	Simon Cole	Robust basis for rolling out CIL and collecting future contributions	Ongoing	
Work with private sector and other agencies to seek to secure improved motorway access at junction 10A	Adequate	Preliminary LEP funding secured and work continues with partners to fully test the interim scheme in the context of major development proposed at Sevington. KCC as highway authority will be scheme promoter with a planning application expected in late 2014. Pressure will continue to be applied to seek the full scheme upgrade in due course as the interim scheme will approach capacity in the late 2020's.	Simon Cole/ Richard Alderton	Interim scheme fully tested and means of delivery secured so that LEP funding can be drawn down and the scheme delivered.	Ongoing	

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
Work with East Kent districts and the County Council to promote strategic infrastructure investment needed and maximise funding from the South East LEP and other sources	Adequate	Working with the East Kent Regeneration Board to make the strategic case for sub-regional investment; feeding into the emerging Strategic Economic Plan for the LEP; and identifying priority projects	John Bunnett	Priority status given to investments in the Borough and success in securing grant funding / reflection of priorities in economic strategy for the region	Ongoing	[Milestones/deadlines] [deadlines/milestones]