

BABERGH DISTRICT COUNCIL

TO: Cabinet	REPORT NUMBER: BCa/19/6
FROM: Cabinet Member for Customers, Digital Transformation & Improvement	DATE OF MEETING: 13 June 2019
OFFICERS: John Snell, Corporate Manager – Internal Audit Claire Crascall, Audit & Risk Management Services	KEY DECISION REF NO. CAB146

END OF YEAR RISK POSITION STATEMENT AND PROGRESS REPORT AND REVISIONS TO RISK MANAGEMENT STRATEGY

1. PURPOSE OF REPORT

- 1.1 The attached report details movements of Significant Risks up to 31st March 2019, revisions to the Risk Management Strategy and the work undertaken around risk management processes since April 2018.

2. OPTIONS CONSIDERED

- 2.1 Risk management as an activity must accomplish the following tasks: identify and agree objectives; identify risks and assess (i.e.: Treat, Transfer, Tolerate or Terminate the risk); allocate risk owners; manage and control and monitoring and reporting.

3. RECOMMENDATIONS

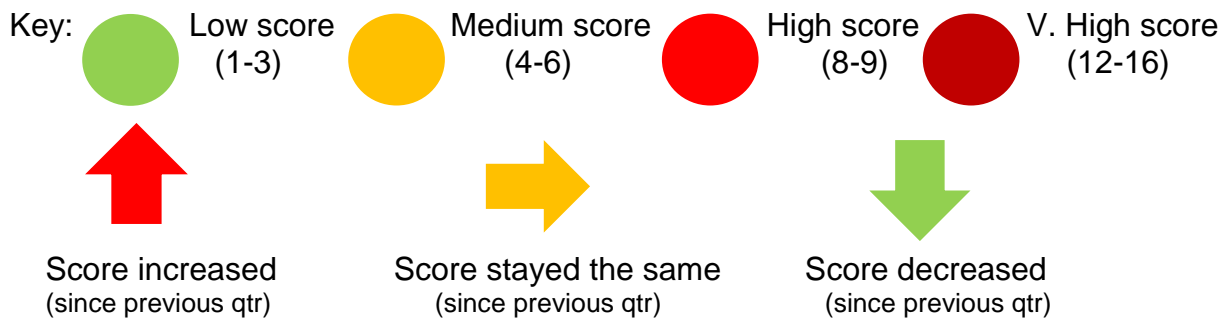
- 3.1 That the contents of this report, supported by Appendix A, B and C, be approved.

REASON FOR DECISION

To provide assurances that risk management processes in place are robust and effective.

4. KEY INFORMATION

- 4.1 This report details movements of Significant Risks up to 31st March 2019 (see Appendix A) and the work undertaken around risk management processes since April 2018.
- 4.2 There are currently 27 risks on the register, of these risks; 16 are scored as medium, 9 as high and 2 as very high.
- 4.3 The risk register has been enhanced to now include Target Scores. These scores are based on the successful completion of actions in the 'Further Actions/Comments' column as seen in Appendix A. The tables below demonstrate the movement of risk scores from Original to Current and also detail the anticipated Target score derived as above. Also, below is a brief update on outstanding actions for each risk, **this should be read in conjunction with the register and risk matrix (Appendix A and B).**



5.1 Theme 1 – Housing Delivery

current scores

Original scores						
Objective 1: Housing Delivery		Owner: AD - Planning and Communities / AD - Housing				
Impact / Consequence	Disaster	4				
	Bad/Serious	3			1b, 1c, 1d, 1e	
	Noticeable / Minor	2			1a	
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
		Probability / Likelihood				

1a

Risk: We may not have an up to date understanding of housing need and demand.

Further Action(s): Joint Local Plan for consultation; Support for Local Housing Needs Surveys.



1b

Risk: We may not have a sufficient, appropriate supply of land available in the right locations.

Further Action(s): Joint Local Plan for consultation; Continue to endeavour to unblock 'stalled sites' – with support from Navigus Planning.



Current scores						
Objective 1: Housing Delivery		Owner: AD - Planning and Communities / AD - Housing				
Impact / Consequence	Disaster	4				
	Bad/Serious	3		1b, 1c, 1d, 1e		
	Noticeable / Minor	2		1a		
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
		Probability / Likelihood				

1c

Risk: We may be unable to meet the Governments new Housing Delivery test.

Further Action(s): Developing relationships with Developers; Working on Infrastructure Strategy; Navigus appointed to bring forward delivery.



1d

Risk: Development may be stifled and/or unsustainable

Further Action(s): Creating Local Plan Infrastructure Delivery Plan; Working closely with infrastructure providers; Review of Community Infrastructure Levy (CIL).



Target scores						
Objective 1: Housing Delivery		Owner: AD - Planning and Communities / AD - Housing				
Impact / Consequence	Disaster	4				
	Bad/Serious	3		1b, 1c, 1d		
	Noticeable / Minor	2		1a, 1e		
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
		Probability / Likelihood				

1e

Risk: There may be an insufficient local supply to appropriate homes for the ageing population.

Further Action(s): Implementation of Homes and Housing Strategy Action Plan; Development of Housing Action Plan; Development of a BDC/MSDC Older Person Strategy.



5.1.1 There have been no changes to current scores since the previous report.

5.2 Theme 2 – Business Growth and Increased Productivity

current scores

Original scores						
Objective 2: Business Growth & Increased Productivity			Owner: AD - Economic Development & Regeneration			
Impact / Consequence	Disaster	4				
	Bad/Serious	3			2a, 2b, 2c	2d
	Noticeable /Minor	2				
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
		Probability / Likelihood				



Risk: We may not understand the needs and aspirations of our businesses.
Further Action(s): *Develop close relationships with new Central Suffolk Chamber of Commerce Board Members; Establish Visitor Economy Sub Group of Board.*



Risk: We fail to deliver on the aspirations articulated in the Vision for Prosperity.
Further Action(s): *Develop Future High Street capital bids.*



Risk: We fail to deliver on the aspirations articulated in the Vision for Prosperity.
Further Action(s): *Establish Stowmarket Steering Group to guide Vision of Prosperity Delivery Programme; Develop Future High Street capital bids.*



Risk: We may not identify and provide the right amount of employment land and property in the right places.
Further Action(s): *Complete Stowmarket Technology Hub feasibility study.*

Current scores						
Objective 2: Business Growth & Increased Productivity			Owner: AD - Economic Development & Regeneration			
Impact / Consequence	Disaster	4				
	Bad/Serious	3		2a, 2b, 2c, 2d		
	Noticeable /Minor	2				
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
		Probability / Likelihood				

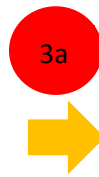
Target scores						
Objective 2: Business Growth & Increased Productivity			Owner: AD - Economic Development & Regeneration			
Impact / Consequence	Disaster	4				
	Bad/Serious	3		2a, 2b, 2c, 2d		
	Noticeable /Minor	2				
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
		Probability / Likelihood				

5.2.1 There have been no changes to current scores since the previous report.

5.3 Theme 3 – Community Capacity

current scores

Original scores						
Objective 3: Community Capacity Building and Engagement			Owner: AD - Planning and Communities			
Impact / Consequences	Disaster	4				
	Bad/Serious	3			3a	
	Noticeable /Minor	2				
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood						



Risk: We may not be able to help communities become more sustainable.

Further Action(s): *Formal mechanisms agreed to consult on Local Plan; Engagement with key Town Councils; Direct officer engagement with communities; Creation of Delivery Plan in association with Community Strategy.*

Current scores						
Objective 3: Community Capacity Building and Engagement			Owner: AD - Planning and Communities			
Impact / Consequences	Disaster	4				
	Bad/Serious	3			3a	
	Noticeable /Minor	2				
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood						

Target scores						
Objective 3: Community Capacity Building and Engagement			Owner: AD - Planning and Communities			
Impact / Consequences	Disaster	4				
	Bad/Serious	3		3a		
	Noticeable /Minor	2				
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood						

5.3.1 There have been no changes to current scores since the previous report.

5.4 Theme 4 – Assets and Investments

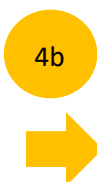
current scores

Original scores						
Objective 4: Assets and Investments			Owner: AD - Assets and Investments and AD - Housing			
Impact / Consequence	Disaster	4		4a	4d	
	Bad/Serious	3				4b, 4c
	Noticeable /Minor	2				
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood						



Risk: We may be unable to meet the income projections for the Councils.

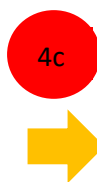
Comments: Revised Business Plan being prepared for approval.



Risk: The affordable homes programme does not achieve the forecast returns on investment.

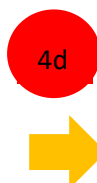
Further Action(s): Agree project plans for the site development of the HQ sites.

Current scores						
Objective 4: Assets and Investments			Owner: AD - Assets and Investments and AD - Housing			
Impact / Consequence	Disaster	4				
	Bad/Serious	3		4a, 4b	4c, 4d	
	Noticeable /Minor	2				
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood						



Risk: We may not manage our asset portfolio effectively.

Further Action(s): Asset Management Plan being prepared; Data project to cleanse data; Staff recruitment exercise.



Risk: Income and Capital projections and economic outcomes may not be delivered.

Further Action(s)/Comments: Developing Delivery Model.

Target scores						
Objective 4: Assets and Investments			Owner: AD - Assets and Investments and AD - Housing			
Impact / Consequence	Disaster	4				
	Bad/Serious	3		4a, 4b, 4c, 4d		
	Noticeable /Minor	2				
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood						

5.4.1 One risk from theme 4 was removed in quarter 3. **‘We may fail to deliver the financial projection set out within the BMBS business plan’** All associated risks are now captured within the operational risk register and there is a revised business plan. This Business Plan has now moved from profit to net cost of service.

5.4.2 All current scores for the remaining risks, remain unchanged.

5.5 Theme 5 – An Enabled and Efficient Organisation
current scores

Original scores					
Objective 5: An Enabled and Efficient Organisation			Owner: Various		
Disaster	4		5j (MSDC)	5c, 5d (MSDC) 5j (BDC)	5d (BDC), 5g
Bad/Serious	3			5a, 5b, 5e, 5i, 5k	5f, 5h
Noticeable /Minor	2				
Minimal	1				
		1	2	3	4
		Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood					

5a

Risk: We will not transform, and become more efficient using IT.
Further Action(s): HR Training programme including IT skills; Training underway for applications such as PowerBI; Developing actions from Partnership review; Developing ICT Strategy with SCC IT.

5b

Risk: Our data sources will not be reliable.
Further Action(s): Data cleanse ongoing; Joining up and reconciling various databases; Plans to reconcile HR database with Payroll system.

Current scores					
Objective 5: An Enabled and Efficient Organisation			Owner: Various		
Disaster	4	5j (MSDC)	5c, 5j (BDC) 5d (MSDC)	5d (BDC), 5g	
Bad/Serious	3		5b, 5e, 5i, 5k	5a, 5f, 5h	
Noticeable /Minor	2				
Minimal	1				
		1	2	3	4
		Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood					

5c

Risk: We may not deliver a robust HRA business plan.
Further Action(s): Review of scenarios in light of removal of HRA borrowing cap; Train Housing Management staff to embed new business model. Modelling of Business Plan to support council house build programme.

5d

MSDC

Risk: We may be unable to respond in a timely and effective way to financial demands.

5d

BDC

Further Action(s): Identifying options over next 4 years under Review, Remodel and Reinvent.

Objective 5: An Enabled and Efficient Organisation			Owner: Various		
Disaster	4	5j (MSDC)	5d (MSDC), 5d (BDC), 5g, 5j (BDC)		
Bad/Serious	3		5a, 5b, 5c, 5i, 5f	5h	
Noticeable /Minor	2		5e, 5k		
Minimal	1				
		1	2	3	4
		Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood					

5e

Risk: We will be unable to successfully target and provide our services.

Further Action(s): Prototyping other forms of customer service; Undertaking lean review across all services of transactional processes.

current scores

5f



Risk: The Councils may be perceived to be untrustworthy and have a poor reputation.

Further Action(s): Values and Behaviours Natural Work Team ongoing; 4 year rolling Member Development Programme roll out following elections May 2019; Recruitment to Comms Team.

5g



Risk: The safety, health, welfare and wellbeing of individuals may be compromised.

Further Action(s): Annual review of H&S Policy; Service Areas to complete Risk Assessments; H&S Training programme; Review of IOSH Managing Safely course; Lone working IT solution to be rolled out to Members; Review of H&S action plan; Ending Violence at Work Charter standards to be met.

5h



Risk: Rent arrears will increase.

Further Action(s)/Comments: Developing Income Management Policy; Changes to Universal Credits benefit; CAB taking responsibility from UC Financial Advisors; Review of Income Management Strategy and its outcomes.

5i



Risk: There may be staff shortages within service areas

Further Action(s)/Comments: Developing People Strategy and action plan; Revision of current Recruitment Policy and development of toolkit.

5j



Risk: The Councils may not be financially sustainable

Comments: Work on exploring alternative structural models for both Councils is currently on hold.

MSDC

5j



BDC

5k



Risk: We may not be as efficient as we need to be, including the use of new technologies

Further Action(s): Actions identified from recent staff survey; Other practices planned e.g. daily meetings / target setting / target tracking / rewards and recognition; Microsoft TEAM sites and mobile phone technology enabling remote working and regular comms.

5.5.1 There have been no changes to current scores since the previous report.

5.6 Current scores for all Significant Risks have been plotted on the matrix below to provide an overview of levels of risks across the five themes:

Impact / Consequence	Disaster	4	5j (MSDC)	5c, 5j (BDC), 5d (MSDC)	5d (BDC), 5g	
	Bad/Serious	3		1b, 1c, 1d, 1e, 2a, 2b, 2c, 2d, 4a, 4b, 5b, 5e, 5i, 5k	3a, 4c, 4d, 5a, 5f, 5h	
	Noticeable /Minor	2		1a		
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
Probability / Likelihood						

Operational Risks:

5.7 Risk registers are now in place for all service areas and the Risk Officer prompts the update of these on a quarterly basis and oversees that this is done. More time has been allocated to the Risk Officer helping ensure these registers are of a better, more consistent quality going forward into 19/20. In addition, the introduction of a performance measure relating to completion of operational registers is being devised which will enable closer monitoring and reporting of this process on a monthly basis.

Project Risks:

5.8 Project risk registers are beginning to be created and provided to the Risk Officer for uploading to the Connect site along with the Significant and Operational registers. Project Managers and Corporate Managers will need to work together to highlight links between Operational risks and Project risk registers. This will help further embed the risk process at operational level and highlight areas where there is cross over into different service areas.

Other work:

5.9 The Audit and Risk Management Services team continue to work with report authors offering guidance and assistance with capturing and recording the appropriate risks and scores in Committee/Cabinet reports. The creation and maintenance of the operational and project risk registers assist with this process enabling officers to identify relevant risks. Once reviewed, reports are 'signed off' before submission to ensure correct use of risk wordings and scorings.

- 5.10 The annual review of the Risk Management Strategy has been undertaken and is attached at Appendix C. Minor revisions have been made to the risk matrix which now includes more detailed descriptors for impact/consequence on the risk matrix, enabling the risk owner to determine the appropriate impact rating. The example risk register at the end of the document has also been updated to reflect the new format of reporting which includes a target score. Finally, the wording in the risk appetite section of the Strategy has slightly altered to acknowledge that due to the nature of services provided 'one size' does not fit all (*Operational/Service Delivery Risk*).
- 5.11 Lastly, plans have been made to slightly amend future risk reporting dates to ensure they align with both performance and finance reports thus enabling Councillors to gain the 'full picture' at the same meeting. The frequency of reporting remains unchanged. The half year report for all three areas will be presented to Cabinet in December.

6. LINKS TO JOINT STRATEGIC PLAN

- 6.1 The Joint Strategic Plan and the Work Programme to deliver it covers all of the service delivery and development activity planned to be undertaken across both Councils in the next five years. The way we manage key corporate risk is therefore intrinsic to this strategy and plan of work, and will be embedded in each key activity, project and programme.

7. FINANCIAL IMPLICATIONS

N/A

8. LEGAL IMPLICATIONS

- 8.1 There are no immediate legal implications arising from this report.

9. RISK MANAGEMENT

- 9.1 As set out in the body of this report.

10. CONSULTATIONS

- 10.1 Risk owners were consulted on their relevant risks.

11. EQUALITY ANALYSIS

Equality Impact Assessment (EIA) not required.

12. ENVIRONMENTAL IMPLICATIONS

- 12.1 N/A

13. APPENDICES

Title	Location
(a) Significant Risk Register	Attached
(b) Risk Matrix	Attached
(c) Risk Management Strategy	Attached

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