Appendix 1 - SHWD Corporate Risk Report - March 2018

#	Risk Title	Description	What is (are the) Uncertainties	Likelihood	Financial	Service Quality	Reputation	Legal/Regulatory	Health & Safety	Morale/Staffing	Risk Score	Mitigating Actions / Internal Controls	Latest Note
1	WDBC Adherence to Medium Term Financial Strategy (MTFS), due to changes in Government Policy and/or Income Streams	Failure to sustain a robust on-going medium term financial strategy in WDBC with adequate reserves to meet unforeseen circumstances, due to cost pressures and reduced income, council decisions, changes in Government policy with regard to business rates and affordable housing; Potential impact on delivering the MTFS, particularly if national/regional businesses successfully appeal against business rate valuations	Reduction in Government grant, increasing demand for services and other cost pressures and increased risks associated with localised business rates and council tax support. Additionally, income from activities may not materialise or may be reduced, e.g. business rate appeals or a reduction in the commercial property market. The amount of income received can be adversely affected by a fall in collection rates due to economic downturn and other factors such as the bankruptcy/liquidation of large ratepayers or any sizeable rateable value reductions achieved by business rated properties in the area. Business rate pilot - 75% local business rate retention of growth above baseline, is confirmed for one year only and subject to consultation, so impact on LAs in unclear.	4	5	4	4	4	2	4	20	Robust horizon scanning to monitor changes in Government policy. SLT awareness of the risks, cautious approach to budgeting and robust systems of financial control. The Council are not intending to rely heavily on sources of income which may not be sustainable. SLT actively participate in Government consultations, MP discussions and keep aware of changes and the response by peer group, ensuring where appropriate the learning from this is incorporated into strategic plans. SLT engaged in the development of the MTFS. Latest budget reports approved by both Councils in February 2018 after member workshops in October 2017 and result of the 2018/19 Local Government Finance Settlement communicated.	Slightly improved position for both Councils due to successful bid for Business Rates Pilot and additional Rural Services Grant funding being awarded, however these are only one-off amouts of funding for 2018/19. Member Financial Stability Group formed in WD, report to Hub over initiatives to pursue due 13 March 2018. Each Council is addressing how it will meet its budget gap going forward, through an updated medium term financial strategy (due Spring 2018) and Corporate Strategy and linked initiatives.
2	Data Protection	Failure to control the appropriate use of data and unauthorised access.	To manage the risk of non compliance with Cabinet Office PSN CoCo, PCI DSS, GDPR, Data Protection Act, RIPA, Human Rights Act.	4	3	3	4	4	1	2	16	DPO now named and is member of SLT. Information Security Policy; All employees responsible for adequacy of data security arrangements within their control. Access to electronic data is only available via council managed devices. Look out for advice from the Information Commissioners office. Compliance with relevant PSN CoCo through implementation of security changes required. All staff have been and new starters will be completing a data protection awareness course in via the Council's new eLearning tool.	Data Protection Officer in position and received accredited training in Feb 2018. Work continuing to increase awareness and address gaps to ensure compliance
3	Governance: Adherence to Council policies & processes and Government guidelines	Failure to maintain effective Corporate Governance arrangements. Failure to manage/enforce s106 conditions. Ombudsman complaints could lead to finding of maladministration due to management of issues, e.g. poor record keeping; time to resolve issues or meet imposed timelines; reputational damage. Failure to meet current and changing needs of customers and to manage customer feedback. There is a risk of failure to respond to changes and to recognise external influences such as changes in government policy; Risks of losing JRs, appeals and Ombudsman rulings	To maintain effective Member standards and develop new Council Constitution. To continue to raise awareness of the risk of fraud and the implications of the Bribery Act 2010. To ensure that there is on-going review and self assessment of the effectiveness of governance arrangements within the Council. T18 programme rollout saw service levels reduce but these have now recovered	4	3	3	4	4	3	3	16	Promotion of necessary policies via staff intranet. Reviewed and implemented new Council constitution. To provide necessary Annual governance self assessment review by both ELT and SLT. Audit Committee established with wider terms of reference. External reviews including the Council's external auditors. Appropriate committee monitoring. Service based risk assessments and action plans, with a particular focus on high risk service activity. Training & Development plans being developed. Policies for H&S and wellbeing and lone working all being updated. Work underway in respect of data protection / GDPR readiness and audit completed. Stat officers panel set up and meeting qtrly. Internal audit programme of work confirmed for 17/18.	Resource in place to monitor and manage s106s. Organisation wide project board in place to manage implementation of projects, to approved PM principles. Regular Statutory Officers Group & Information Governance meetings. RIPA training undertaken for key staff. Policies / Key Strategies being reviewed by CoPs with consultation where appropriate.
4	Delivery of local plan (Inc. 5 Year Land Supply)	Risk of speculative development without a 5 year land supply in SH & WD, following recent planning appeal losses. Risk of designation in relation to Development Management & local plan across both councils.	Lack of detail / contingency around 5 year land supply until the joint local plan is completed.	4	4	2	3	3		2	16	JLP Submitted to PINS for examination, but more work required on evidence base for housing need assessment.	Scores updated after SLT review. JLP now in examination phase. Recent planning appeal lost in WD.
5	Political commitment for change	On-going political commitment to support changes needed for ongoing financial sustainability & community resilience	Considerable external change with devolution and Governmental funding cuts; leading to uncertainty within the South West and beyond.	4	4	3	4	4	1	4	16	Regular leader & deputy meetings. JSG meetings held monthly. Regular surgery and informal sessions for wider membership.	JSG and Joint Leaders meetings suspended Nov 17, Corporate strategy now being agreed separately but does have linkages. JLP process continuing

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6	Service Performance	Any service failure or degradation of service impacts on the customer, which then impacts on all areas of the council and members	Lack of appropriate resources due to current interim vacancies; ongoing transformation programme specifically IT and process implementation is not yet complete. These two combined have affected our ability to deliver appropriately on occasion. This pressure was increased due to county and general elections in 2017	3	3	4	4	3	2	4	12	Getting it right the first time, getting back to people appropriately and more timely. Better channel recognition to clear responses. Keep better records. Appropriate resources in the right places. Plan to commence measuring customer satisfaction during 17/18. Increased customer engagement; new complaints policy in place. Ongoing review of internal and external policies.	Performance indicators are showing steady improvements across the board.
7	Business Continuity	Officers fail to develop robust processes to ensure business continuity in the event of a significant event occurring, e.g. Failure to ensure the continuous availability of critical IT systems	Following the event, how quickly will certain systems and processes be able to be back on-line	3	3	4	4	2	3	3	12	Having two HQ locations is main mitigating factor - however an outage of power/ICT at either location would lead to a serious disruption of service. Agile working further reduces reliance on two office buildings. Locality workers can be despatched more easily to ensure customer engagement can be maintained during any incident. Business Continuity plans have been updated - priority areas - ICT Networking - Payroll & Creditors Payments; other plans need to be made more robust	Resilience tested during recent extreme weather. Agile working very successful with no loss of service from agile workers despite closure of both offices. Benefits run was completed remotely.
8	Emergency Response, e.g. Coastal Erosion / Storm Damage / Flooding	There is high public expectation in relation to supporting communities during coastal erosion/storm damage/flooding events, as well as engagement in longer term recovery, in particular assumptions about capital investment to restore assets. The risk relates to how best to support dispersed communities, e.g. with filling, transporting and laying sandbags as well as providing workforce on site, given limited resources and expectations during an event.	Following the event, the expectation that coastal defences and asset repairs will be urgently undertaken despite competing claims on capital resources	4	3	2	3	1	3	1	12	Continued management and officer focus on this area to ensure risk is minimised as much as possible; continued close engagement work with DCC and Environment Agency to ensure all parties are aware of each others responsibilities and capacity	Recent heavy snow and storm Emma has shown that response processes work. Now in clean-up phase. Damage to Slapton Line / Torr Cross defences in SHDC.
9	Inadequate Staffing Resources	Failure to have sufficient staffing arrangements. Loss of staff morale, and inadequate resources for training and re-skilling in an ongoing period of change. Failure to engage staff resulting in uncertainty regarding changes in working practices and job security. Particular risk in relation to future terms and conditions. Cost and time of retraining/up-skilling staff. Unrealistic expectations in relation to staffing capacity.	Performance being reviewed to understand whether resourcing levels are correct; difficult to assess accurately as organisation continues to experience change effects and processes being embedded / roll-out of new technology and working practices	3	3	3	3	2	2	4	12	Transitional resource & monitoring arrangements put in place. Staffing arrangements and GAP analysis completed in 16/17. Staff forum embedded; continued SLT engagement with unions and regular staff comms sessions held. Other comms media under review and several improvements made. Staff satisfaction survey re-run in April '17, actions and review underway. Mechanism in place for ELT to appoint within budget where appropriate without recourse to SLT. Apprenticeship scheme being developed by HR.	Likelihood reduced due the fact that transition resources have and continue to be gradually phased out. The only main are of concern Planning has been addressed by increased planning income which is funding additional permanent roles across case management and specialists.
10	Inadequate asset maintenance	Failure to maintain all Council owned assets and buildings (including fleet).	To manage the health and safety risks of customers and staff and to ensure budgets are managed effectively to maintain assets to a satisfactory standard, To consider and manage the risk of redundant properties / assets.	2	3				5		10	Effective budget monitoring, sound management of assets/ buildings including a planned maintenance approach along with planned capital expenditure programme. Risk assessments and regular health and safety inspections.	Ongoing programme of Asset Management Review to assist with the risk assessment in respect of the maintenance of all Council assets

SH: Currently undertaking review of DLF assets to ensure full compliance / best practice. |

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11	Contractor Failure	Failure to manage a major failure of a significant council contractor including, any significant related industrial relations issues.	Contingency plans if contractor were to fail; affect on service delivery	2	3	4	3	2	2	3	8	Good contract and people management, effective Contract Team, use of shared procurement expertise, more frequent credit checks (including parent companies), requirement for bonds where appropriate.	Managed service agreement agreed with FCC in WD running to April 2019. Fusion leisure contract across both districts now in 2nd year - refurbishment and development improvements underway. Temp procurement officer in place; work underway to find longer term solution.
12	Health & Safety	Failure to manage the health, safety and welfare of the public, visitors and staff. Key consideration in relation to number of external frontline staff, including lone workers.	High impact on service delivery resulting in resources / services being unavailable for long periods	2	4	3	4	4	4	3	8	Safe working environment, policies and procedures, e.g. fire safety policy, travel at work policy. IIP, PDRs. Revised sickness absence policy, health and other wellbeing initiatives. Awareness of appropriate legislation e.g. Corporate Manslaughter Act, Equalities Act. Up-to-date corporate Health & Safety Policy/procedures	H&S CoP driving improvement programme that requires commitment from all areas and appropriate monitoring by SLT.
13	Safeguarding	Council and/ or contractors fail to adhere to meet safeguarding obligations as set out in legislation such as Children Act 2004 section 11.	Do staff, members and contractors know what is required and how to react?	2	3	2	4	3	3	3	8	Policies in place and key staff & management have received appropriate training and contact details to spot and report safeguarding issues	ALL staff have now received training through staff briefings.
14	Procurement	The risk is that we don't follow procurement procedures. A number of contracts to be let by the Council over the next 2 year period which will be in excess of the EU procurement thresholds.	There are a number of contracts to be let by the Council over the next 2 year period which will be in excess of the EU procurement thresholds. These will require specialist input and project teams to ensure best vale for money is achieved. Current level of procurement competence is unknown	2	4	3	3	3	2	2	8	The procurement elements required should be captured and prioritised within the service planning exercise being carried out currently. It is important therefore that the project mgmt of major procurements is robust. Dedicated resources have been recruited to ensure this is done.	Work underway to recruit permanent procurement support (shared with Teignbridge) as current resource is on interim basis
15	T18 Benefits Not Delivered	Failure to deliver sustained benefits from the T18 Programme; Risk of new systems not being fit for purpose during transfer and then for BAU; Capacity risk once additional resources exhausted?	Poorly executed delivery could affect quality of customer service; timescales to complete routine tasks and an increase in complaints. Staff moral and reputation can be affected.	2	2	3	3	1	1	3	6	Regular SLT and member scrutiny over T18 roll-out; T18 programme being managed closely; currently within budget. Regular monitoring reports to Members.	T18 programme being closed down following successful implementation. Lessons learned report completed. T18 was within budget when Programme closed down.
16	External Fraud	Fraud, financial impropriety or improper business practises anywhere against the organisation	Fraud could occur anywhere against the organisation; but the likely impact is limited due to existing management controls	3	2						6	Audit has highlighted generally ok. Management to remain vigilant; random spot checks where appropriate (e.g. expense claim forms)	Audit has highlighted generally ok - monitor through internal audit process. Management to remain vigilant; random spot checks where appropriate
17	Internal Fraud	Fraud, financial impropriety or improper business practises anywhere in organisation	Fraud could occur anywhere throughout the organisation; but the likely impact is limited due to existing management controls	3	2						6	Audit has highlighted generally ok. Management to remain vigilant; random spot checks where appropriate (e.g. expense claim forms)	Control on this will form part of any competitive dialogue process that may arise as a result of Council decisions re frontline services
18	Financial Systems & Budget Monitoring	Financial Systems & Budget Monitoring	Can the current system, use of the system and our financial processes support transforming the way we manage our budgets and financial reporting. There is a risk that any changes could jeopardise year end processes.	2	3	1	2	2	1	2	6	Temporary resource has been brought in to drive process changes and recommend & implement changes to our set up of the financial system. S151 & CoP lead role now dis-aggregated, to provide more focus and resilience on each aspect. We are engaging with the system provider to review our system set-up through a process known as Assessment of Current Use (AoCU)	Greater visibility of financials by budget holders. Training and information shared by finance CoP
19	Accounts not being published by the legal deadline due to earlier closedown timetable	There is a requirement that closedown of 17/18 accounts be brought forward 4 weeks to end of May 2018. The risk is that resourcing within the finance COP prevents closedown by the new government deadline.	Whether the new timetable is achievable for the existing team.	1	3	1	3	3		3	3	Finance COP will do mini-close as at end Sept 2017 by end Nov 2017 to enable faster closedown at year end. Structural changes to split s151 and finance COP has enabled more focus on operational duties.	Finance has an early closedown timetable in place to ensure that the new timescales are met.