

Report to	Resources and Performance Committee
Date	8 September 2011
By	Director of Corporate Services
Title of Report	Corporate Risks – Resource implications
Purpose of Report	To describe the most significant corporate risks and their potential resource implications

Recommendation: The Committee is recommended to
1) consider the corporate risks described and note the resource implications

1. Introduction

- 1.1 There is an established Risk Management Strategy and process for updating the Corporate Risk Register each month. The Audit Committee is responsible for reviewing the Corporate Risk Register and the South Downs National Park Authority's (SDNPA) arrangements for managing risk.
- 1.2 Managing risks can have resource implications which need to be understood by the Resources and Performance Committee and may need to be addressed. This report therefore describes the 4 most significant risks on the Register and explains the potential resource implications.

2. Background

- 2.1 The Audit Committee has, as part of its terms of reference: "To ensure the robustness of risk management and performance management arrangements."
- 2.2 At its meeting on 5 April 2011, the Audit Committee approved the SDNPA Risk Management Strategy. This sets out arrangements for assessing the risks facing the organisation, describing them in a Corporate Risk Register and reporting them to the SDNPA Strategic Management Team (SMT) each month and to the Audit Committee each quarter. This is an established process.
- 2.3 At a joint workshop on 5 July 2011, members of the Audit and Resources and Performance Committees concluded that some risks could have resource implications and, as a minimum, it would be helpful for the Resources and Performance Committee to receive information about the most significant risks facing the SDNPA with consideration of the resource implications.
- 2.4 This report is based on the latest version of the Corporate Risk Register (compiled in July 2011) and deals with the 4 most significant risks. There are a number of other risks on the risk register; these will continue to be reviewed by the Audit committee.

3. Significant corporate risks

- 3.1 **Appendix 1** describes the 4 most significant risks, identifies the actions being taken and considers the potential resource implications.
- 3.2 In the cases identified there is provision in the 2011-12 budget (and subsequent years) to address the risk. However, since the Risk Register changes each month, it would be advisable for the Audit Committee to refer risks with emerging resource implications to the Resources and Performance Committee where it felt that was appropriate.

4. Resources

- 4.1 The report considers the resource implications of the 4 most significant risks on the SDNPA's Corporate Risk Register.
- 4.2 In compiling the Risk Register and particularly the mitigation measures, the SMT and Audit Committee need to take account of the resource implications. Where the risks cannot be managed without additional resources, particularly financial, this will be reported to the Resources and Performance Committee where appropriate.

5. Risk management

- 5.1 The Corporate Risk Register is designed to identify the risks facing the SDNPA and assess their implications. More importantly it also sets out measures which are being taken to mitigate, minimise or remove the risk.
- 5.2 The Audit Committee will continue to review the Risk Register at each of its meetings.

6. Human Rights, Equalities, Health and Safety

- 6.1 There are no implications arising from this report.

7. External Consultees

- 7.1 None

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Appendix	Most significant corporate risks
SDNPA Consultees	Chief Executive Officer, Head of Planning, Director of Strategy and Partnerships, Head of Operations, Chief Finance Officer, Deputy Chief Finance Officer, Monitoring Officer & Senior Solicitor.
Background Documents	SDNPA Risk Management Strategy SDNPA Corporate Risk Register

Most significant corporate risks

Description of Risk
1. Lack of balance between the requirement to produce long term strategies and the delivery of programmes and projects that have impact on the ground
Description of Impact
Impact on development of productive partnerships and relationships with communities. Perception that the SDNPA isn't 'doing' anything or doing less than previously. (Reputational)
Mitigation
Development of a realistic management plan Close working with people, communities and partners in the Park Established SDNPA forum Sustainable Communities Fund supporting the community in 2011-12 Emerging priorities for Management Plan will identify projects within the community that require funding SDNPA must be seen to be proactively supporting the National Park community Ensure sound and fully justified decisions taken and communicated Operations Teams in place on the ground Effective performance information to demonstrate delivery on the ground
Likelihood
Likely (Almost certain before mitigation)
Impact
Major (At least major before mitigation)
Severity
High (High before mitigation)
Resource implications
<p>Addressing this risk requires resources allocated to both the preparation and implementation of longer term strategies (the Management Plan and the Planning Local Development Framework) and also to operational matters including grants.</p> <p>The 2011-12 budget has made provision for both of these aspects. There are resources to prepare the Management Plan and LDF (including collection of research and evidence, producing the State of the Park report and operating appropriate governance arrangements). There is provision for the operations directorate covering the Countryside Management service. In addition money has been made available in the Sustainable Community Fund for grants to groups across the South Downs and a further fund to make specific grants.</p> <p>The SDNPA business plan sets out the framework for both developing strategies and an action list of tasks for 2011-12. It will be important to ensure the engagement of partners in producing strategies and also to demonstrate the achievements in 2011-12.</p> <p>A Communications Strategy is being produced which will provide a framework for working with people and organisations across the Park and also help to communicate the range of work being undertaken by the SDNPA.</p>

Description of Risk
2. Changes in South Downs Joint Committee functions (e.g. Rights of Way management, Dutch Elm Disease control) not transferring to SDNPA have an adverse impact on the public's perception of the National Park Authority.
Description of Impact
Possible perceived deterioration of RoW management and Dutch Elm Disease control attributed to the SDNPA (Reputational)
Mitigation
Clear communications to the public on where responsibilities lie Use influence to seek effective way forward for these functions through partners Seek to agree accords with Highways Authorities by March 2012 SDW officer in post Funding agreed for National Trail post
Likelihood
Likely (Likely before mitigation)
Impact
Moderate (Major before mitigation)
Severity
Significant (High before mitigation)
Resource implications
<p>There is provision in the SDNPA budget for a communications team and for the work to produce a Communications Strategy. This will help to ensure that there is a clear understanding of the respective roles of the SDNPA and its partners.</p> <p>There is a budget for the South Downs Way supported in part in the current year by funding from Natural England to support work on the National Trail. There is a review of the funding for National Trails being undertaken by Natural England which may have resource implications in future years' budgets.</p> <p>There is also budget provision for staffing and work in relation to access including the Local Access forum.</p> <p>One aspect of the SDNPA's business plan for 2011-12 relates to seeking to develop partnerships with, amongst others, the Highways authorities to support improved management of the Rights of Way network and to develop a strategy for the South Downs Way that will improve management and identify new opportunities.</p>

Description of Risk
3. Inability to provide satisfactory delegated planning function in long term because IT solution is not implemented
Description of Impact
Inability to provide satisfactory delegated planning function from 1 April 2012 because IT solution is not implemented. The retender of the ICT contract may also have an impact on the ability to support the implementation of the IDOX system (Operational) (Reputational)
Mitigation
Clear allocation of responsibilities on managing the contract and the supplier Clear specification of requirement prepared prior to procurement Work to realistic timescale Resources & Performance Committee/SDNPA approved purchase of system Ensure adequate programme management during pre contract and implementation stages Testing on potential new client systems prior to IDOX implementation
Likelihood
Likely (Almost certain before mitigation)
Impact
Moderate (Major before mitigation)
Severity
Significant (High before mitigation)
Resource implications
<p>The Authority has approved a budget for the implementation of the planning system (IDOX) . The proposed arrangements, which delegate the majority of planning decisions to a number of local planning authorities, means that the system is more complex and will require careful implementation. Although the current costs can be contained within the SDNPA's budget this will need to be carefully monitored.</p> <p>The system implementation requires careful programme management which is in place.</p> <p>There will be a need to ensure that the system is working in each local planning authority. This will cover a range of areas including testing, data transfer and training. Although there is a budget for this in the programme, it is possible that the costs of this work will be higher than expected.</p> <p>There will be resource implications if the system is not implemented on 1 April 2012. For example there will be additional scanning costs if the SDNPA wishes to continue to collect historic data from the participating local planning authorities and the project management costs will be incurred for a longer period.</p> <p>The current retendering of ICT services will take account of the implementation of the planning system. The planning system is separately hosted (by IDOX) but there are interfaces with other systems such as the Graphical Information System.</p>

Description of Risk
4. Failure to produce Planning Local Development Framework or Core Strategy
Description of Impact
Makes the National Park vulnerable to appeals of planning decisions After 2014 the Government will introduce legislation which allows a presumption in favour of sustainable development which will supersede SDNPA decisions
Mitigation
Recruit extra capacity to deliver planning policy
Likelihood
Possible (At least likely before mitigation)
Impact
Major (Major or possibly catastrophic before mitigation)
Severity
Significant (High before mitigation)
Resource implications
There a budget provision for planning staff and other costs to support the preparation of the LDF and Core Strategy. Some of the staffing is on the basis of fixed term contracts, recognising that there will be a higher volume of work over the next two years whilst the framework is developed and finalised. Further provision may be needed once the full extent of the work involved against the agreed timetable has been assessed.