

Report to	<b>Audit Committee</b>
Date	<b>20 June 2011</b>
By	<b>Director of Corporate Services</b>
Title of Report	<b>Corporate Risk Review</b>
Purpose of Report	<b>To present a revised corporate risk register as at May 2011</b>

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**Recommendation: The Committee is recommended to approve the Corporate Risk Register as at May 2011**

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## **1. Introduction**

- 1.1 To present the South Downs National Park Authority (SDNPA) Corporate Risk Register as at May 2011.

## **2. Background**

- 2.1 The Audit Committee has terms of reference which currently include "... to monitor and review the Corporate Risk Strategy and Register". The SDNPA had a programme risk register for its shadow year. At its meeting on 18 January 2011 the Audit Committee agreed a recommendation from the Audit Report "Review of Governance Framework" that the organisation put in place a Risk Management Strategy and a Corporate Risk Register. At its meeting on 5 April 2011 the Audit Committee agreed a corporate Risk Management Strategy and the Corporate Risk Register for March 2011.

## **3. The Corporate Risk Register**

- 3.1 The latest risk register (as at May 2011) is attached at **Appendix 1**. Only high and significant risks are included in the register for the Audit Committee. In some cases the risks have changed or no longer exist. When this happens they will be marked closed on the spreadsheet and distinguished by grey lettering. These items will be deleted before the register is next presented.
- 3.2 **Appendix 2** shows the risks in graphic way which allows Members to see at a glance the likelihood and impact of risks, how they have moved and which are new.

## **4. Changes since March 2011**

- 4.1 The risk register presented in April had one high and eleven significant risks. The risk register for May has one high risk and thirteen significant risks. There are five new risks. Four risks have been closed.
- 4.2 The high risk, number 19 has remained the same. The mitigations have been updated.
- 4.3 Of the significant risks 31,40, 41, 5, 7,33 and 37 have remained the same.
- 4.4 Risk 25 has moved to become significant because the likelihood has been changed from possible to likely.
- 4.5 Risk 2 was closed because staff recruitment has gone largely to plan. Risk 28 was closed because phased recruitment is seen to have addressed the issue. Risk 30 was closed because the budget was balanced. Risk 3 was closed because the Director of Strategy and Partnerships started work on 4 April 2011. The risk has been refined and is now stated as risk 43.

- 4.6 Five new risks have been identified, mainly around the management and delivery of the planning function. All of the new risks have been assessed as significant.
- Risk 42 - Need to procure corporate support services to provide robust and resilient support services
  - Risk 43 - Delay to the production of the State of the Park report and the Management Plan
  - Risk 44 - Failure to produce Local Development Framework or Core Strategy
  - Risk 45 - Lack of capacity to manage Development Management function effectively, especially around enforcement issues
  - Risk 46 - SDNPA fails to add value to planning system particularly Development Management

## **5. Next steps**

- 5.1 The Audit Committee will receive a further update of the risk register at its meeting on 27 September.

## **6. Resources**

- 6.1 There are no additional resource requirements arising from this report.

## **7. Risk management**

- 7.1 The report outlines the current risks facing the Authority and how they will be mitigated.

## **8. Human Rights, Equalities, Health and Safety**

- 8.1 There are no implications arising from this report.

## **9. External Consultees**

- 9.1 None.

## **JOHN BECKERLEG** **Director of Corporate Services**

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Appendices Appendix 1 Corporate Risk Register

Appendix 2 Corporate Risk Graphic

SDNPA Consultees Chief Executive Officer, Director of Corporate Services, Head of Planning, Director of Strategy and Partnerships, Head of Operations, Chief Finance Officer, Deputy Chief Finance Officer, Monitoring Officer & Senior Solicitor.

Background Documents Report to Audit Committee 5 April 2011 Item 10 AC08/11  
Report to Audit Committee 18 January 2011 Item 8 AC03/11

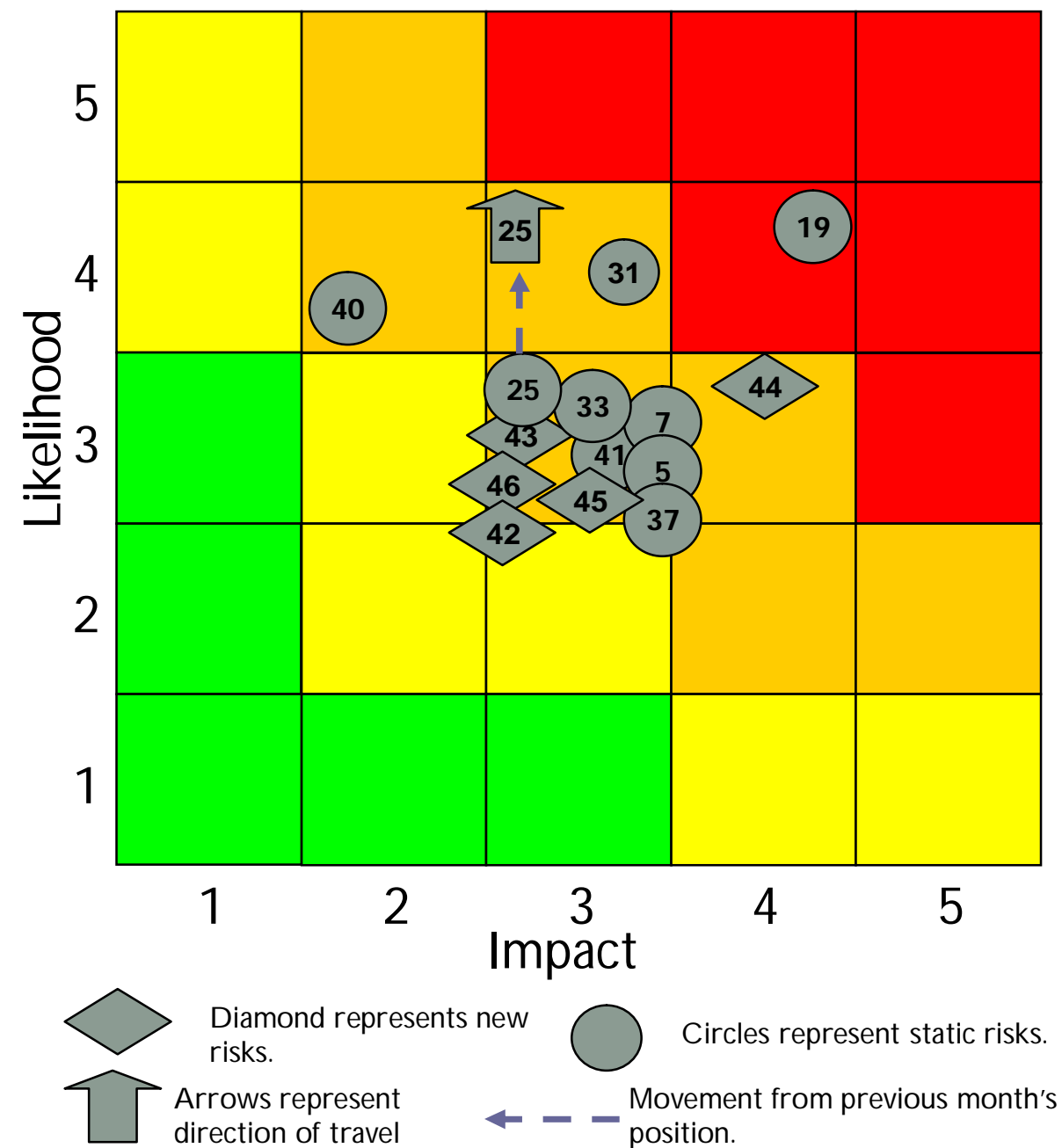
Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
A	19	Failure to meet high expectations for National Park from stakeholders and communities	Impact on development of productive partnerships and relationships with communities (Reputational)	Development of a realistic management action plan Close working with people, communities and partners in the Park Established SDNPA forum Must spend SCF supporting the community Emerging priorities for Management Plan will identify projects within the community that require funding SDNPA must be seen to be proactively supporting the NP community Ensure sound and fully justified decisions taken and communicated Operations Team in place on the ground		Likely	Major	RS	High	31/05/2011	
B	2	Inadequate build up of staff capacity/ slippage on timetable for recruitment	Inability to deliver SDNPA functions Pressure on staff affects organisational performance and the quality of decision making (Reputational) (Legal) (Financial)	Agreed core staff structures, JDs, gradings and reward policies Clear transfer process & timeline agreed Clear phased and prioritised recruitment strategy in place with effective project management Capacity of interim recruitment team increased Extended interim HR team until July 2011 Recruiting interim staff to fill vacant permanent posts as necessary during the year	Divert resources to recruitment. Divert people to key transition tasks. Recruit consultants/interims for key priorities	Likely	Moderate	JB	Significant	31/05/2011 Closed	
C	31	Changes in SDJC functions not transferring to SDNPA have impact on the public's perception of the NP. Lack of agreement with highways authorities re RoW SDW and access	Perceived deterioration of RoW SDNPA is perceived to be responsible for the deterioration (Reputational) (Financial)	Use influence to seek effective way forward for these functions through partners Ensure accords in place with Highways Authorities by 1 June 2011 SDW officer in post Funding agreed for National Trail post		Likely	Moderate	AL	Significant	31/05/2011	
D	25	Inability to provide satisfactory delegated planning function in long term because IT solution is not implemented	Planning function will continue to be delivered on 15 different IT systems (reputational) Money spent on IT and implementation wasted (Reputational) (Operational)	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 Adequate programme management during pre contract and implementation stages in place		Likely	Moderate	JR	Significant	31/05/2011	

Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
E	40	Public perception that SDNPA are not managing public funds effectively and efficiently in the tight economic climate	Delay in establishing priorities and action programmes for the National Park. Possible loss of stakeholder support owing to lack of engagement or action. (Operational) (Reputational)	Director S&P appointed - started full time 04 April 2011. Learn from New Forest National Park experience Involve stakeholders in National Park process Agreed governance arrangements, Forum established by 31 March 2011 and first meeting planned for Summer 2011 Development of Forum and Strategic Partnership will ensure good involvement of partners and stakeholders in development of the National Park Management Plan. Ensure good communications to ensure SDNPA takes on board public's aspirations		Likely	Minor	AL	Significant	31/05/2011	
F	44	Failure to produce Local Development Framework or Core Strategy	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	Consider recruiting extra capacity to deliver planning policy		Possible	Major	JR	Significant	31/05/2011	
G	41	Increase in numbers of Planning Applications	Increased cost of delegation would result in use of Planning Delivery reserve	Effective monitoring of numbers and costs Benchmarking to assist in reducing costs		Possible	Moderate	JR	Significant	31/05/2011	
H	5	Organisation ownership and resilience of corporate systems (IT, finance, correspondence, FOI, data protection, legal, website, HR, H&S, premises)	The processes and systems introduced are not sufficiently understood/operated leading to inability to deliver SDNPA functions(Reputational)(Legal)(Financial)	Ensure effective procurement of support services and effective contract monitoring.Appropriate policies in place by 31 March 2011 - now needs to be embeddedStaff induction covers policies and proceduresManager workshop 23 March to help managers understand their new responsibilities Key processes mapped		Possible	Moderate	JB	Significant	31/05/2011	
I	42	Need to procure corporate support services to provide robust and resilient support services during the retender process	Inadequate transition to new provider Inadequate service from provider Changes required in the organisation as a result of the tender process	Specifications to incorporate adequate handover between new and old providers		Possible	Moderate	JB	Significant	31/05/2011	
J	7	Failure to gain agreement to S 101 agreements exposes SDNPA to taking the planning function back in house	May create instability in the planning system and would require rapid recruitment programme for the NPA May result in use of Planning Delivery reserve (Operational) (Reputational)	Continue high level discussions to achieve s 101 agreements Ensure all section 101 agreements signed by 30 June 2011 Prepare a contingency plan for SDNPA to take the planning function back in house if section 101 agreements not signed by the end of June	Seek informal commitment at political level	Possible	Moderate	JR	Significant	31/05/2011	
K	45	Lack of capacity to manage Development Management function effectively, especially	Lack of adequate enforcement against unwanted developments Lack of consistency	Review of Development Management function Jan 2012		Possible	Moderate	JR	Significant	31/05/2011	

Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
		around enforcement issues									
L	46	SDNPA fails to add value to planning system particularly Development Management	Failure to improve quality of the planning service Failure to improve cost effectiveness of the planning service across the National Park	Review section 101 agreements for quality and cost quarterly Annual review of overall service Jan 2012 Implement recommendations from managing excellent planning services process		Possible	Moderate	JR	Significant	31/05/2011	
M	28	Organisation's effectiveness adversely affected by loss of continuity in corporate culture and knowledge. ( Particularly in 2011/12 due to new staff and new/changing partners and handover from current temporary/contracted staff to permanent employees)	Delivery of vision and objectives affected Wasted resources Stakeholder and employee satisfaction reduced Poor staff morale . Stress within organisation and on Members Operations temporarily affected, additional resources (time) Loss of continuity in corporate culture and knowledge (Reputational) (Organisational)	Ensure adequate hand over - checklist prepared Cultural change role will provide on going training; need to ensure good communications throughout. Good handling of agreed transfer process Policy and management of non transferring people Develop and apply staff induction and training- Induction slides developed , regular staff newsletters Appraisal and performance management policies to be developed Provide staff with training and clear guidance on SDNPA culture Phased transition/ recruitment; Phased recruitment of Directors and CEO	Morale building work for new organisation Good performance management of staff	Possible	Moderate	JB	Significant	31/05/2011 Closed	
N	30	Local Government settlement has created unexpected pressure on the local authority budgets due to a change of funding for the NPA planning functions	Potential impact on the quality of the planning service in the National Park. (Financial) (Operational)	Review approach in the context of available resources		Possible	Moderate	JR	Significant	01/03/2011 Closed	
O	33	Implementation of Estates Strategy is delayed or cannot be fully implemented	Possible disruption of staff and Members. Impact on business continuity (Organisational)	Ongoing negotiation on contracts for area offices. Refurbishment of Capron house, Midhurst.		Possible	Moderate	JB	Significant	31/05/2011	
P	37	Health & Safety of staff, particularly lone workers and volunteers	Breach of statutory duty, claims/litigation, costs, lost productivity due to absence from work (Operational) (Financial)	Adopt existing H&S policies Agree H&S Strategy Develop H&S induction programme for staff Establish action plan for H&S working group		Possible	Moderate	JB	Significant	31/05/2011	
Q	3	Absence of S&P director results in delay in the development of the National Park Management Plan.	(Reputational)	Clear communications and transparency on SDNPA management of public funds, including publishing spending data and annual accounts Effective and comprehensive governance and accountability arrangements in place Effective business and programme management in place		Likely	Minor	JB	Significant	31/05/2011 Closed	

Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
R	43	Delay to the production of the State of the Park report and the Management Plan	SDNPA seen as not showing leadership/vision for the Park Absence of priorities Inability to measure delivery of Park Purposes and Duty Failure to show leadership in delivering Park Purposes and Duty Fails to inform LDF and Core Strategy	Clear communications and transparency on SDNPA management of public funds, including publishing spending data and annual accounts Effective and comprehensive governance and accountability arrangements in place Effective business and programme management in place		Possible	Moderate	AL	Significant	31/05/2011	

## Corporate Risk Register – Risk Graphic – May 2011



Likelihood	Definition
1	Almost impossible: difficult to see how it could occur
2	Unlikely: do not expect occurrence but it is possible
3	Possible: may occur occasionally
4	Likely: will occur but is not an every day occurrence
5	Almost certain: high probability of situation occurring

Risk No.	Dir.	Description
19	CE	Failure to meet high expectations for NP from stakeholders & communities
31	S&G	Changes in SDJC functions not transferring to SDNPA impact on public perception of NP
25	PLG	Inability to provide delegated planning function due to IT issues
40	S&P	Ineffective management of public funds
44	PLG	Failure to produce LDF or Core Strategy
41	PLG	Increase in the numbers of planning applications
5	CS	Organisation, ownership & resilience of corporate systems
42	CS	Procurement of robust and resilient support services
7	PLG	Failure to agree S101 agreements
45	PLG	Lack of capacity to manage Development Management function
46	PLG	SDNPA fails to add value to the planning system, particularly Development Management
33	CS	Delay to implementation of Estates strategy
37	CS	H&S of staff
43	S&P	Delay to production of State of Part Report and Management Plan

Impact	Definition
1	Insignificant: impact on parts of the organisation
2	Minor: parts of organisation may be required to change plans
3	Moderate: organisation and/or budget affected
4	Major: change in organisation's direction/strategy required and/or significant financial impact
5	Catastrophic: organisation's core purposes are under threat and/or severe financial impact