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| Report to | Audit Committee |
| Date | 27 September 2011 |
| By | Director of Corporate Services |
| Title of Report | Corporate Risk Register |
| Purpose of Report | To present a revised Corporate Risk Register as at September 2011 |

Recommendation: The Committee is recommended to:

- 1) approve the Corporate Risk Register as at September 2011 and**
 - 2) agree to refer new corporate risks with significant resource implications to the Resources and Performance Committee**
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1. Introduction

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

2. Background

- 2.1 The Audit Committee has terms of reference which include "... to ensure the robustness of risk management and performance management arrangements". At its meeting on 5 April 2011 the Audit Committee agreed a corporate Risk Management Strategy and the Corporate Risk Register for March 2011. The Risk Management Strategy will be reviewed next year; the Corporate Risk Register is reported to each meeting of the Audit Committee.

3. The Corporate Risk Register

- 3.1 **Appendix 1** 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.
- 3.2 The latest risk register (as at September 2011) is attached at **Appendix 2**. 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 shading. These items will be deleted before the register is next presented.

4. Changes since May 2011

- 4.1 The risk register presented in May had one high and 13 significant risks. The risk register for September also has one high risk and 13 significant risks. There are two new risks. Two risks have been closed.
- 4.2 The high risk, number 19, has remained the same. The description of the risk and the impact have been updated to reflect a revised view of what the risk is.
- 4.3 Of the significant risks 25, 31, 44, 5, 33, 37, 41, 42, 43, 45 and 46 have remained the same.
- 4.4 Risk 7 was closed because most of the authorities have either agreed section 101 agreements or are very close to doing so. Risk 40 was closed because the issues have been partially reflected in the revised wording for Risk 19, the Sustainable Communities Fund has been set up and some work has been done to further explain the SDNPA way of working. In addition the Strategic Management Team (SMT) felt the external context around this risk has changed and the matter was no longer as significant.

- 4.5 Two new risks have been identified, around the management and delivery of the planning function and to reflect the corporate peer review process. All of the new risks have been assessed as significant.
- Risk 48 – is a risk escalated from the IDOX implementation project risk register and relates to the potential lack of capacity within SDNPA to support the implementation of the planning system.
 - Risk 49 – reflects a new area of work, which is the peer review of the SDNPA as part of the Defra/Society of Local Authority Chief Executives review process.

5. Next steps

- 5.1 The Audit Committee will receive a further update of the risk register at its meeting on 18 January 2012.
- 5.2 On 8 September 2011 the Resources and Performance Committee discussed a report on the resource implications of the top 4 risks on the current Corporate Risk Register. Following that discussion, the Resources and Performance Committee asked the Audit Committee to refer corporate risks that arise in the future and have significant resource implications to the Resources and Performance Committee.

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

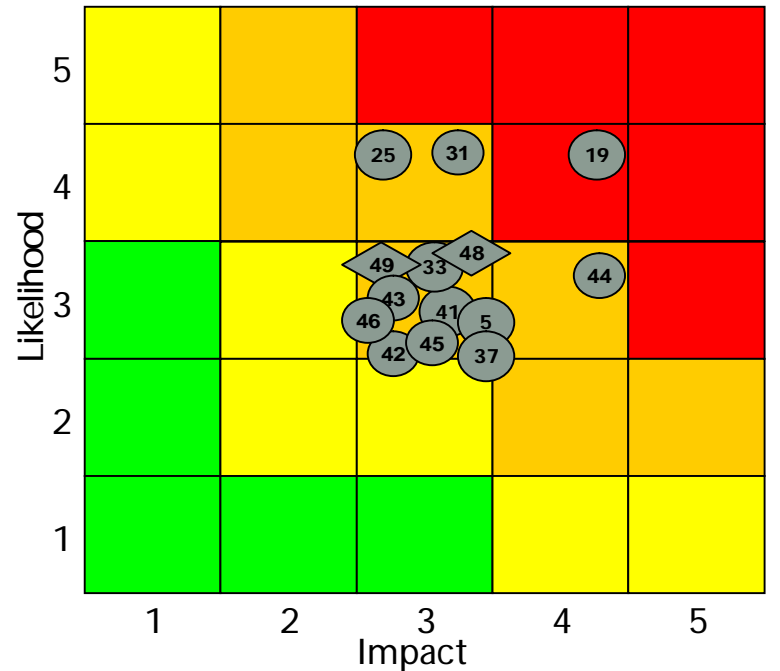
- 9.1 None.

JOHN BECKERLEG

Director of Corporate Services

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| Appendices | Appendix 1 Risk Graphic Appendix 2 Corporate Risk Register |
| 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 10 June 2011 Item AC 18/11 Report to Audit Committee 5 April 2011 Item 10 AC 08/11 |

Corporate Risk Register – Risk Graphic – September 2011



Diamond represents new risks.
 Circles represent static risks.
 Arrows represent direction of travel
 Movement from previous position.

| Impact | Definition |
|--------|---|
| 1 | Insignificant: : difficult to see how it could occur |
| 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 |

| Risk No. | Dir. | Description |
|----------|------|---|
| 19 | CE | Lack of balance between long term strategy delivery and delivery of projects that have impact on the ground |
| 25 | PLG | Inability to provide delegated planning function due to IT issues |
| 31 | S&P | Changes in SDJC functions not transferring to SDNPA impact on public perception of NP |
| 44 | PLG | Failure to produce LDF or Core Strategy |
| 48 | CS | Lack of capacity to support IDOX implementation |
| 5 | CS | Organisation, ownership & resilience of corporate systems |
| 33 | CS | Delay to implementation of Estates strategy |
| 37 | CS | Health & Safety of staff |
| 41 | PLG | Increase in the numbers of planning applications |
| 42 | CS | Procurement of robust and resilient support services |
| 43 | S&P | Delay to production of State of Part Report and Management Plan |
| 45 | PLG | Lack of capacity to manage Development Management |
| 46 | PLG | SDNPA fails to add value to the planning system |
| 49 | CS | Peer Review does not result in positive outcome |

| 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 |

STRATEGIC RISK REGISTER SEPTEMBER 2011

Agenda Item 12 Appendix 2

| Line | Ref No | Description of Risk | Description of Impact | Mitigation | Contingency | Likelihood | Impact | Owner | Severity | Date reviewed | Review Date |
|------|--------|---|--|--|-------------|------------|----------|-------|-------------|---------------|-------------|
| A | 19 | Lack of balance between the requirement to produce long term strategies and the delivery of programmes and projects that have impact on the ground | Impact on development of productive partnerships and relationships with communities. Perception that the South Downs National Park Authority (SDNPA) isn't 'doing' anything or doing less than previously. (Reputational) | Development of a realistic management action plan Close working with people, communities and partners in the Park Established SDNPA Forum and Partnership Must spend Sustainable Communities Fund (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 National Park (NP) community Ensure sound and fully justified decisions taken and communicated Operations Team in place on the ground Effective performance information to demonstrate delivery on the ground Develop a comprehensive Communications strategy | | Likely | Major | RS | High | 01/09/2011 | |
| B | 25 | Inability to provide satisfactory delegated planning function in long term because IT solution is not implemented | Inability to provide satisfactory delegated planning function from 01 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) | 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 Run pilots with two authorities first | | Likely | Moderate | JR | Significant | 01/09/2011 | |
| C | 31 | 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. | Possible perceived deterioration of Rights of Way management and Dutch Elm Disease control attributed to the SDNPA (Reputational) (Financial) | 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 in place with Highways Authorities by March 2012 SDW officer in post Funding agreed for National Trail post Develop a clear set of messages about functions such as Rights of Way | | Likely | Moderate | AL | Significant | 01/09/2011 | |
| D | 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 | Recruit extra capacity to deliver planning policy | | Possible | Major | JR | Significant | 01/09/2011 | |

| Line | Ref No | Description of Risk | Description of Impact | Mitigation | Contingency | Likelihood | Impact | Owner | Severity | Date reviewed | Review Date |
|------|--------|---|--|--|-------------|------------|----------|-------|-------------|---------------|-------------|
| E | 48 | Lack of capacity within SDNPA to support the implementation of the IDOX system to support development management function | Possibility that the Planning system will not go live in April 2012, which will require the continuation of the current arrangements and create more work to put information onto the system when it does go live. (Operational) (Reputational) | Releasing Planning Admin Manager to support the implementation and back filling into the post; Effective and close management of the IDOX contract; Strong project management controls used; Monitoring the pilot implementations and learning from them Reallocating people to project and prioritising tasks | | Likely | Moderate | JR | Significant | 01/09/2011 | |
| F | 5 | Organisation ownership and resilience of corporate systems (IT, finance, correspondence, freedom of information, data protection, legal, website, Human Resources, Health & Safety (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. Putting in place appropriate policies by 31 March 2011 Staff induction covers policies and procedures Manager workshop 23 March to help managers understand their new responsibilities Key processes mapped | | Possible | Moderate | JB | Significant | 01/09/2011 | |
| G | 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 | 01/09/2011 | |
| H | 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 non JC staff Establish action plan for H&S working group | | Possible | Moderate | JB | Significant | 01/09/2011 | |
| I | 41 | Increase in numbers of Planning Applications or reduction in fee income affects SDNPA spending | Increased cost of delegation would result in use of Planning Delivery reserve | Effective monitoring of numbers and costs Benchmarking to assist in reducing costs Close review on planning fee income projection Appointed fixed term Contract Compliance officer | | Possible | Moderate | JR | Significant | 01/09/2011 | |
| J | 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 | 01/09/2011 | |
| K | 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 Local Development Framework 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 | 01/09/2011 | |

| Line | Ref No | Description of Risk | Description of Impact | Mitigation | Contingency | Likelihood | Impact | Owner | Severity | Date reviewed | Review Date |
|------|--------|--|---|--|---|------------|----------|-------|-------------|---------------|-------------|
| L | 45 | Lack of capacity to manage Development Management function effectively, especially around enforcement issues | Unwanted developments not enforced against Lack of consistency | Review of Development Management function Jan 2012 | | Possible | Moderate | JR | Significant | 01/09/2011 | |
| M | 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 | 01/09/2011 | |
| N | 49 | The Peer Review of the SDNPA does not result in a positive outcome | The outcome of the peer review due in November 2012 damages staff morale or the SDNPA's external relations and public image. (Organisational) (Reputational) | Advance planning for review Gap analysis to be undertaken Interim review undertaken Action plan prepared Close liaison with the Review Team and appropriate support Incorporate the Peer Review recommendations into the SDNPA business plan | | Possible | Moderate | RS | Significant | 01/09/2011 | new |
| | 7 | Failure to gain agreement to Section 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 | Unlikely | Moderate | JR | Moderate | 01/09/2011 | Closed |
| | 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 - starts full time 1 April 2011. Learn from New Forest National Park experience Involve stakeholders in National Park process Agreed governance arrangements Ensure 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 | 01/09/2011 | Closed |

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|------|--------|---------------------|-----------------------|------------|-------------|------------|--------|-------|----------|---------------|-------------|
|------|--------|---------------------|-----------------------|------------|-------------|------------|--------|-------|----------|---------------|-------------|

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|-----------------------|---------------------------|-----------|--------------|-----------|------------------|
| | Most Likely IMPACT | | | | |
| LIKELIHOOD | Insignificant (1) | Minor (2) | Moderate (3) | Major (4) | Catastrophic (5) |
| Almost Certain (5) | 5 | 10 | 15 | 20 | 25 |
| Likely (4) | 4 | 8 | 12 | 16 | 20 |
| Possible (3) | 3 | 6 | 9 | 12 | 15 |
| Unlikely (2) | 2 | 4 | 6 | 8 | 10 |
| Almost Impossible (1) | 1 | 2 | 3 | 4 | 5 |