

Shepway District Council – Corporate Risk Register 2016/17

	Risk Owner	Risk Description	Likelihood (Mitigated)	Impact	Risk Controls
Financial uncertainty	Tim Madden Corporate Director - Organisational Change Cllr Susan Carey Cabinet Member for Finance	There is ongoing volatility/ uncertainty in key areas of council income and expenditure.	3	4	NDR: There are arrangements in place to monitor the ongoing effect and any changes within this area which may affect this funding stream. The consequences of this are uncertain and there is close monitoring of the scheme as it develops. In part the risk faced by the Council has been mitigated by the agreement with the major Preceptors and becoming a part of the Kent Pool.
		Non domestic rates: Changes to how Non Domestic Rates are calculated and distributed were introduced by the government in 2013. The new system means the local authority shares to a much greater extent the risks associated with any loss of businesses. The move to full localisation in 2020 will continued to be monitored.			
		Council Tax Relief: The government changes to the CTR provides a higher risk because of the increase in those requiring support in their council tax bills, may result in an increased burden to the authority.			
		Income: The macroeconomic uncertainty means that there is a risk that the council's income levels may vary especially where significant levels of income are forecast.			
		Revenue Support Grant: ongoing reduction in central government funding RSG. This has been significantly cut and will end in 2018/19.	5	5	RSG: The council's MTFS projections are modelling reductions in RSG as a mitigating factor.

Organisational resources	<p>Tim Madden Corporate Director - Organisational Change</p> <p>Cllr David Monk Leader with responsibility for Overall Strategy and Leadership</p>	<p>Resources and skills: There is a risk to the Council that the Council will not be able to attract and retain those officers who have the professional skills which are essential to the delivery of the corporate plan.</p>	2	4	<p>Resources: Seniors managers are developing a network of specialist agencies that can commission consultants and provide additional support. The result will be a pool of resources which the council can call on if necessary with a faster lead in time than using standard recruitment methods each time. Consultants on the list will still be subject to the council's usual procurement and contract standing order rules.</p>
Delivering new homes in the district	<p>Ben Geering Head of Planning</p> <p>Cllr Philip Martin Cabinet Member for Property Management and Environment Health</p>	<p>There is a risk that the Council will not deliver the homes required in the district. This could be because of delays in producing and adopting the 'Places and Policies Local Plan'; site specific constraints, or a change in the economic climate (locally or nationally) In addition, Shepway District Council has embarked on a review of its Core Strategy Local Plan so as to ensure Housing Need is being met within the District.</p> <p>New Government legislation on the development of brown field land will change the way sites are brought forward for development.</p> <p>Key site development – significant, reputational and financial risks exist around the key sites identified for development.</p>	2	4	<p>The Places and Policies Local Plan underwent Preferred Options (reg 18) consultation in November 2016 and is on track for submission in accordance with the agreed Local Development Scheme.</p> <p>Work has commenced on the review of the Core Strategy Local Plan.</p> <p>A further update on both documents will be reported to cabinet in April 2017.</p>

<p>Economic growth</p>	<p>Katharine Harvey, Head of Economic Development</p> <p>Cllr John Collier Cabinet Member for the District Economy</p>	<p>There is a risk that the council will not enable the economic growth and deliver the jobs and homes required in the district.</p>	<p>2</p>	<p>4</p>	<p>The Economic Development Team continues to work to deliver the comprehensive economic development strategy for the district and to focus on activities that will make the most difference.</p> <p>Strong partnership working continues with local businesses through the Shepway Business Advisory Board and a regular business engagement programme with key businesses to ensure that the council is doing all it can to support their business needs.</p> <p>The Folkestone.works website is raising the profile of Shepway as a good location for business.</p> <p>Actions are being taken to ensure the delivery of high quality business accommodation in the district. The recently updated Employment Land Review has indicated that a lack of modern high quality business space is a key impediment to growth in the Shepway economy. As a result there has been a focusing now on bringing forward further development at Mountfield Road Industrial estate in New Romney and working with the Head of Strategic Development to bring forward employment space at Bigginswood and upgrade the office accommodation in the Civic Centre.</p> <p>Development of a comprehensive economic development strategy for the district based upon robust research data.</p> <p>The involvement of key local business and potential investors to the area is critical. Partnerships with local businesses will be</p>
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<p>Tim Madden Corporate Director - Organisational Change</p> <p>Cllr Susan Carey Cabinet Member for Finance</p>	<p>The risk that the councils investment strategy to support economic development fails to meet its objectives</p>	<p>3</p>	<p>4</p>	<p>Individual investment appraisals for each activity will be undertaken prior to a decision being made whether to deliver the activity and the most suitable delivery vehicle (e.g. private investment, HRA, Oportunitas, General Fund, other vehicle).</p> <p>Where necessary clear funding agreements will need to be in place.</p> <p>The Council will be clear on its state aid position for activities where relevant and that current activities have sought external legal and financial advice.</p> <p>The first phase of the wholly owned company's activities are to be structured to meet the financial objective to optimise the income stream in the most tax efficient way and external financial advice has been sought.</p>	

HRA new build programme	Andy Jarrett, Head of Strategic Development Projects	Delays in programme and SDP schemes due to land supply shortage	1	4	We have sufficient sites for the HRA Programme – not applicable for SDP.
		Delays due to other reasons	2	2	All schemes are programmed from inception and regularly updated at key stages - acquisition, feasibility, Cabinet Approval, tender and throughout construction.
	Cllr Alan Ewart-James Cabinet Member for Housing	Cost overruns impacts on viability of schemes and the HRA business plan.	3	3	<p>The HRA programme is set over 10 years and this is ample for the Programme to be built.</p> <p>Ensure Business Case and Project Brief are set up properly to guide cost decisions at early stage for all schemes.</p> <p>Project Boards provide strategic cost overview and control.</p> <p>Employment of professionally qualified and suitably experienced Quantity Surveyors at all stages to provide an accurate Cost Plan.</p> <p>Work with Procurement Team to ensure all schemes comply with procurement rules and best practice.</p> <p>Commission Employer’s Agent post feasibility to ensure contracts and cost negotiations with contractors produce value for money.</p> <p>Use internal Project Managers and Employer’s Agent to monitor construction progress and maintain control of cost variations.</p>

	Adrian Hammond, Housing Strategy Manager	<p>Ongoing impact of the 1% rent cut on HRA properties</p> <p>Potential impact of the council's updated HRA stock condition survey on the council's HRA Business Plan.</p> <p>Potential impact of any new Government policy changes which impact on the HRA.</p>	4	3	<p>Ongoing review of HRA business plan</p> <p>Complete comprehensive business plan for the acquisitions programme, including prudent cost/income assumptions and benchmark against both VFM indicators and affordability.</p> <p>Target appropriate properties for acquisition based upon business plan.</p> <p>Work with Property Services and external consultants to direct resources to delivery of acquisitions programme.</p> <p>Ensure close working with Planning to overcome any difficulties.</p>
Major Development Sites	<p>Andy Jarrett, Head of Strategic Development Projects</p> <p>Ben Geering, Head of Planning</p> <p>Katharine Harvey Head of Economic Development</p> <p>Cllr John Collier Cabinet Member for the District Economy</p>	<p>The delivering of major sites is delayed.</p> <p>Potential risks relate to:</p> <ul style="list-style-type: none"> • Lack of appropriate private sector investment. • Prohibitive upfront infrastructure costs • Delays in process e.g. funding applications, land ownership, planning etc • Lack of success in bidding for public sector funds to meet funding shortfalls. • Major site developments go ahead without the necessary infrastructure needs met, causing increased congestion which will be detrimental to quality of life. 	3	4	<p>The Council will consider direct intervention on key major development sites where a clear investment case has been made and the delivery of the site could be accelerated.</p> <p>Key Council contacts will be identified for all major sites to liaise with developers and assist in overcoming barriers.</p> <p>Planning processes will ensure that major site applications are dealt with in a timely manner (normally by the use of planning performance agreements entered into with the developer) and are allocated adequate resources.</p> <p>Achieve engagement and awareness of funding opportunities remains and resources are available to develop public sector funding bids.</p>

	Cllr Philip Martin Cabinet Member for Property Management				Planning applications adequately consider the infrastructure requirements and implications.
Governance	Amandeep Khroud Solicitor to the Council Leader with responsibility for Overall Strategy and Leadership David Monk Tim Madden Corporate Director - Organisational Change Cllr Susan Carey, Cabinet Member for Finance	<p>Fraud, corruption and the loss of council data would expose Shepway to considerable reputational and financial risks.</p> <p>Information security could be compromised by:</p> <ul style="list-style-type: none"> • Careless handling of information. • External threats. • Sharing information with partners. • Non compliance with government controls. • The management and labelling of information. <p>The Council may be susceptible to fraud/ corruption in the following ways:</p> <ul style="list-style-type: none"> • Non-compliance with internal controls. • Failure to promote an anti-fraud organisational culture e.g. Whistle blowing. • Corrupt practices promoted by contractors e.g. price fixing or bribery of officials. • Poor ethical judgement by elected officials and senior managers e.g. expenses fraud. • Should these risks not be mitigated that the Council is liable to punitive actions, including fines from the Information Commissioner. • Economic pressures increase risk of fraud and theft from external parties to the organisation. 	2	4	<p>Management governance controls including the Council Constitution, Financial Procedure Rules, Contract Standing Orders, Strategies & Procedures and Internal Audit reviews highlight any concerns.</p> <p>All Shepway staff have been trained on information security and the relevant council policies, by the council IT contractor Steria</p> <p>Staff who work flexibly must adhere to the flexible working policies, which includes sections on Data Protection and Information Security.</p> <p>The Council is preparing for the introduction of the new General Data Protection Regulations and staff will be provided with appropriate training.</p> <p>Promotion of anti-fraud and corruption policies e.g. the Whistle blowing Policy.</p> <p>Members and Employees must adhere to the respective Codes of Conduct.</p> <p>A new anti fraud and corruption e-learning module has been rolled out, and it mandatory for all staff.</p> <p>Induction and training sessions have been run for all new members and learning resources are available on the Intranet.</p>

					<p>Assurance statements completed by CMT and Heads of Service.</p> <p>Internal audit and external audit – report to Audit and Governance Committee three times a year.</p>
Health and Well Being	<p>Sarah Robson, Head of Communities</p> <p>Cllr Jennifer Hollingsbee, Deputy Leader and Cabinet Member for Communities</p>	<p>“Shepway’s Health Inequalities Action Plan (HIAP), due for publication February 2017, is not rigorously implemented”</p>	2	5	<p>Ensure that all policies are influenced and are taking account of Health and Well Being agenda.</p> <p>Ensure services are commissioned / developed through the HIAP to address key priorities and are implemented in areas of greatest need”.</p> <p>Make changes to policies and services as required.</p>