

# Taunton Deane Borough Council

## Corporate Governance Committee – 24 June 2013

### Risk Management

#### Report of the Performance Lead

(This matter is the responsibility of Executive Councillor Vivienne Stock-Williams)

#### 1. Executive Summary

- 1.1 This report provides an update on progress with the Council's approach to Risk Management (Strategic, Projects, and Operational).
- 1.2 The Corporate Management Team (CMT) has recently undertaken a review of the Corporate Risk Register (as part of the quarterly corporate performance review process).
- 1.3 A Risk Management Action Plan is included within this report – this outlines the key areas of focus to further improve and embed Risk Management during 2013.

#### 2. Background

##### 2.1 Introduction

*Risk Management* is an important element of management and in planning and providing the safe delivery of economic, efficient, and effective Council services. It is recognised as an integral part of good management practice. To be most effective, risk management should become part of the Council's culture. It should be part of the philosophy, practices and service planning rather than viewed as a separate initiative. When this is achieved, risk management becomes the business of everyone in the organisation and therefore is embedded

##### 2.2 Roles and responsibilities of the Corporate Governance Committee

The Corporate Governance Committee is responsible for monitoring the corporate governance of the authority. It will receive regular reports on way risk is being managed in the authority.

Members' key tasks in relation to Risk Management are:

- Approving the Risk Management Strategy and implementation plan.
- Monitoring the effectiveness of the Council's risk management and internal control arrangements.
- Reviewing Corporate Risks

### **3. Risk Management progress update**

#### **3.1 Corporate Risk Register**

3.1.1 A copy of the current Corporate Risk Register is found in Appendix A.

3.1.2 The Corporate Risk Register is a 'live' document and has been subject to formal reviews by CMT in September 2012, February 2013, and more recently 8<sup>th</sup> May 2013. The key outcomes of the CMT risk review process are:

- To review and approve refreshed Corporate Risk Register (with recent updates from each risk owner), and to consider TDBC overall risk exposure (summary risk profile)
- To identify any new strategic risks for inclusion on the Corporate Risk Register
- To consider any risks that require escalating to the Corporate Risk Register from Theme / Service or Project risk registers

3.1.3 The Corporate Risk Register includes:

- Detailed risk description (cause, risk 'event', effects)
- Risk owner
- Existing control measures and planned risk response actions
- Current and target risk probability & impact assessment 'scores'

3.1.4 Regular review and monitoring of the Corporate Risk Register is now included as an integral part of the quarterly CMT corporate performance review meetings. The next review is scheduled for 31<sup>st</sup> July 2013 (Quarter 1 performance review).

#### **3.2 Operational Risk Registers**

3.2.1 Each Theme / Service has an operational risk register in place. These are constantly under review and were updated as part of the 2013/14 annual service planning process. The highest areas of risk are considered by CMT for escalation to the Corporate Risk Register – this happens during CMT quarterly corporate performance review meetings.

#### **3.3 Programme and Project Risk Registers**

3.3.1 The Corporate Management Team (CMT) meeting forward plan now includes a monthly Programme & major Projects review, where key risks and issues are considered. Additionally, the 'Programme Management Group' (PMG) is responsible for identifying and managing cross-Programme issues and risks as well as risks and issues escalated by Project Managers.

3.3.2 'PMG' also ensures that each major corporate project / 'business as usual' priority task has appropriate governance in place, for example: Project Risk Management Strategy; Project Risk Register (subject to regular review); Risk Response Action Plans (including the monitoring and effectiveness of risk control measures).

3.3.3 A recent PMG meeting included a discussion to identify the key 'programme' risks – those that are common in most major corporate projects, and impact on the council's two key programmes, ie Growth & Regeneration, and Internal Transformation. More work needs to be done to complete a 'programme' risk register, but the key risks identified at this stage are:

- Communications being badly managed or not fully considered
- Opportunity to see the programme as a whole & improve links between projects
- Resourcing & capacity for project support (ie HR, Finance, Legal, Comms, IT etc) – major projects plus all other projects across the council
- Changes & uncertainty (eg Govt 'changing the goalposts' re new legislation)
- Political support and potential future political leadership changes
- Impact of projects on TDBC operations/business as usual
- Staff morale (ie uncertainty with WSC/TDBC and/or service cuts = staff 'at risk') and impact on the quality of projects & service & delivery
- Governance structures – risk of too many forums / duplication / too many reports / lengthy decision-making process

3.3.4 Current major corporate projects with their own project risk register in place include:

- West Somerset Council / TDBC joint-working feasibility
- DLO depot relocation feasibility
- Swimming Pools
- Community Infrastructure Levy
- Taunton Flood Alleviation Solutions
- Redevelopment of Creechbarrow Road

### 3.4 Risk Management Action Plan 2013

3.4.1 The key areas of focus to further improve and embed Risk Management during 2013 are shown in the TDBC Risk Management Action Plan (see Appendix B).

3.4.2 The action plan includes a mix of essential and desirable / developmental activities – each action has been given a priority rating as High, Medium or Low.

3.4.3 Reassurance on the Council's approach to Risk Management should be gained from the feedback from the LGA Peer Review (September 2012) where risk management was described as 'robust'. In addition, internal (SWAP) audit reports from 2011 and 2012 provided 'reasonable assurance' audit findings.

## 4. Finance Comments

4.1 Financial risk is explained in the Risk Management Strategy and considered within the Corporate Risk Register.

## **5. Legal Comments**

5.1 Legal risk is explained in the Risk Management Strategy and considered within the Corporate Risk Register.

## **6. Links to Corporate Aims**

6.1 As this report covers the Council-wide approach to managing risk, all Corporate Priorities are affected

## **7. Environmental and Community Safety Implications**

7.1 These areas are considered within the Corporate Risk Register.

## **8. Equalities Impact**

8.1 An Equalities Impact Assessment is not required. Equalities issues are considered within the Risk management process.

## **9. Risk Management**

9.1 This report outlines all aspects of corporate Risk Management.

## **10. Partnership Implications**

10.1 Partnership risk management is referred to in the Risk Management Strategy, Action Plan, and Corporate Risk Register.

## **11. Recommendations**

11.1 It is recommended that the Corporate Governance Committee note progress with Corporate Risk Management, the Corporate Risk Register, and the Risk Management Action Plan

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Risk No.	Risk / Issue description	Current Assessment		Score	Risk Response Actions	Target score (post response)		Score
		Probability	Impact			Probability	Impact	
1	<p><b>Political Leadership</b> TDBC remains in a 'no overall control' position. <b>There is a risk of lack of clear political leadership and difficulties with decision-making on key strategic issues.</b> Key effects may include: ~ difficulties with long-term strategic &amp; operational planning; ~ lack of cross-party buy-in to the corporate strategy</p>	Likely(4)	Major(4)	16	<ul style="list-style-type: none"> <li>~ Corporate Business Plan process</li> <li>~ Leader / Director meetings</li> <li>~ Shadow Executive engagement</li> <li>~ Joint Portfolio/Shadow PFH briefings</li> <li>~ Cross-party steering groups on key issues</li> <li>~ 1:1 with Leader of the Opposition</li> </ul>	Feasible(3)	Major(4)	12
2	<p><b>Financial - Medium-Term Financial Planning (MTFP)</b> We are experiencing unprecedented budgetary pressures and adverse economic conditions. <b>There is a risk that this could result in a failure to agree and deliver a sustainable MTFP for the next 5 years (2012/13 - 2016/17).</b> Key effects may include: ~ short-term or 'knee jerk' decisions with detrimental long-term implications ~ Government intervention ~ Adverse impact on TDBC's limited reserves &amp; financial standing ~ Potential service closure / reduced service quality &amp; therefore inability to deliver customer expectations ~ Insufficient capital resources to fund Corporate Strategy objectives ~ Inability to continue funding partnerships (eg Tone Leisure, SWP) ~ Unable to maximise investment returns</p>	Feasible(3)	Critical(5)	15	<ul style="list-style-type: none"> <li>~ Action plan in place through Business Plan project</li> <li>~ LGA prioritisation workshop April 2013 (Directors using findings to develop high-level principles and new work streams)</li> <li>~ New projects initiated (Asset Management, Customer Access/Accommodation, Marketing Taunton)</li> <li>~ Financial Strategy refresh - summer 2013</li> <li>~ West Somerset Council / TDBC joint-working feasibility project</li> </ul>	Slight(2)	Critical(5)	10
3	<p><b>Corporate Aim - Tackling Deprivation</b> IMD scores in 2010 confirm that deprivation is worsening and deepening in North Taunton and Taunton East, and this is compounded by the adverse economic conditions and increasing unemployment. Taunton Deane Partnership's 'Priority Areas Strategy' (PAS) programme is being developed to address the issue, however, if the work is not supported, or not adequately resourced: <b>There is a risk that the PAS programme may be unsuccessful and we fail to reduce levels of deprivation in our most deprived communities.</b> Key effects may include: ~ areas of deprivation remain or worsen; ~ other areas slip into deprivation; ~ community expectations are not managed or delivered ~ further burden on TDBC resources (eg increase in 'Troubled Families' interventions, Housing demand etc) ~ lost opportunities for additional funding, reduced service costs, reduced work duplication, improved experience for the customer ~ negative impacts on individuals, families &amp; communities, plus the financial cost to public sector agencies increases</p>	Likely(4)	Major(4)	16	<ul style="list-style-type: none"> <li>~ Troubled Families work programme over the next 2 years should help address deprivation</li> <li>~ Develop additional PAS actions (through TDP) to cover rural deprivation</li> <li>~ Ensure there are strong links between future Halcon work and the PAS (ongoing dialogue)</li> <li>~ Support the 'Halcon One team' approach</li> <li>~ Commence Halcon Hub project</li> <li>~ Audit of Council's contribution to Health &amp; Wellbeing and actions to close gaps</li> <li>~ Job Clubs &amp; SLAs with Resource &amp; Link Centres</li> <li>~ Links being made to Health and Wellbeing work in deprived areas</li> <li>~ Links being made between PAS and Halcon projects &amp; Rural PAS</li> </ul>	Feasible(3)	Major(4)	12

Risk No.	Risk / Issue description	Current Assessment		Score	Risk Response Actions	Target score (post response)		Score
		Probability	Impact			Probability	Impact	
4	<p><b>Corporate Aim - Growth</b></p> <p>The on-going adverse economic climate (national &amp; local), a lack of market appetite for growth and no 'plan B' means that</p> <p><b>There is a risk that the Development Plan proposals for housing delivery and employment land may not be realised.</b></p> <p>Key effects may include:</p> <ul style="list-style-type: none"> <li>~ loss of New Homes Bonus and CIL income (= a detrimental impact on ability to deliver infrastructure);</li> <li>~ the borough may 'stagnate' (eg less inward investment &amp; CIL income; impact on Taunton's status / profile within the region - less able to attract external funding);</li> <li>~ increasing issues around meeting housing need (including affordable housing)</li> </ul>	Feasible(3)	Major(4)	12	<ul style="list-style-type: none"> <li>~ Master Planning</li> <li>~ Planning Agreements with key developers</li> <li>~ a positive response to development proposals wherever possible</li> <li>~ Core Strategy adopted</li> <li>~ preparation of Site Allocations Plan</li> <li>~ Planning Protocol</li> <li>~ Raise profile and find solution to Western Relief Road at Monkton Heathfield</li> </ul>	Feasible(3)	Major(4)	12
5	<p><b>Corporate Aim - Growth</b></p> <p>A lack of funding for infrastructure (insufficient CIL income, New Homes Bonus &amp; other Govt funding through the LEP), and a lack of engagement with the Local Enterprise Partnership (LEP):</p> <p><b>There is a risk that the Infrastructure Delivery Plan (IDP) cannot be delivered.</b></p> <p>Key effects may include:</p> <ul style="list-style-type: none"> <li>~ lack of new / improved infrastructure needed to support the growth plan</li> <li>~ M5 &amp; A358 do not improve (traffic problems worsen);</li> <li>~ Unable to attract inward business investment to Taunton Deane</li> <li>~ Detrimental impact on the local economy</li> </ul>	Likely(4)	Major(4)	16	<ul style="list-style-type: none"> <li>~ Engagement with Chair of LEP with senior Councillors &amp; Staff</li> <li>~ Engagement with Chair of LEP and Board Members and Taunton Advisory Board</li> <li>~ Engagement with LEP business planning process</li> <li>~ CIL implementation project in place</li> <li>~ Development of plan of priority projects for funding by LEP and other bodies</li> <li>~ On-going dialogue with LEP and Somerset / Taunton Deane based Board members</li> <li>~ Implementation of CIL (summer/autumn 2013)</li> </ul>	Feasible(3)	Major(4)	12
6	<p><b>Corporate Aim - Regeneration of Taunton town centre &amp; retail scheme</b></p> <p>Adverse economic conditions, delay in NIDR access route and lack of development activity with Firepool &amp; a retail scheme means that:</p> <p><b>There is a risk that the 'Firepool' site may fail to attract private sector investment &amp; stagnates, and Taunton town retail centre scheme may not come forward.</b></p> <p>Key effects may include:</p> <ul style="list-style-type: none"> <li>~ being forced into purely financial decisions for the Firepool site;</li> <li>~ no money to invest in the public realm;</li> <li>~ Taunton town centre declines;</li> <li>~ less able to prevent out-of-town schemes (which would impact on car parking income, local economy &amp; result in sustainability issues)</li> </ul>	Very Likely(5)	Major(4)	20	<ul style="list-style-type: none"> <li>~ Oversight and steer from Taunton Advisory Board (partners) &amp; Project Taunton Steering Group (elected members)</li> <li>~ Close monitoring by Project Taunton Delivery Team</li> <li>~ Brief for independent rethink of Town Centre being developed to take account of new economic circumstances.</li> <li>~ Discussions with new owner of Orchard Shopping Centre under way re new scheme for an extension</li> <li>~ NIDR delivery now approved</li> </ul>	Likely(4)	Major(4)	16

7	<p><b>ICT Infrastructure</b>  TDBC has an ageing ICT infrastructure (95% is over 6 years old) and a replacement of key elements is well overdue.  <b>A risk of significant failure of key servers and/or internal networks.</b>  This will result in an inability to access key systems for a significant time period and potentially a loss of data.</p>	Feasible(3)	Critical(5)	15	<ul style="list-style-type: none"> <li>~ ICT have identified the enhancements needed to our infrastructure</li> <li>~ Minor interim changes to network switches have been made</li> <li>~ The new hardware has been delivered</li> <li>~ Our retained ICT officer is working with ICT to ensure that a detailed implementation plan is produced</li> <li>~ Network switches to be replaced</li> <li>~ New hardware (Servers) to be installed</li> <li>~ Need to consider lessons learned - how did we get into this position? ICT resilience / lack of IT strategy.</li> <li>~ in the process of discussing &amp; agreeing a IIP Asset Infrastructure Investments Plan with SW1 for the next 4 years</li> </ul>	Slight(2)	Significant(3)	6
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Risk No.	Risk / Issue description	Current Assessment		Score	Risk Response Actions	Target score (post response)		Score
		Probability	Impact			Probability	Impact	
8	<p><b>Information Governance</b></p> <p>A lack of adequate corporate knowledge &amp; training (ie policies &amp; processes) could cause:</p> <p><b>A risk of a significant failure of Information Governance controls (eg a breach of data security / data protection regs).</b></p> <p>Key effects may include:</p> <ul style="list-style-type: none"> <li>~ prosecution of TDBC and/or individuals</li> <li>~ financial costs (eg fines from Information Commissioner)</li> <li>~ reputational damage</li> </ul>	Slight(2)	Major(4)	8	<ul style="list-style-type: none"> <li>~ Internal audit findings &amp; action plan (Jan 2012) - items on Action Plan are being progressed</li> <li>~ Existing policies in place - review and update policies as required, including refresher training</li> <li>~ New Retained IT Lead in post - responsibility for IT element</li> </ul>	Slight(2)	Major(4)	8
9	<p><b>Health &amp; Safety</b></p> <p>A lack of adequate arrangements in place (corporate procedures, systems, training, planning &amp; guidance) could mean</p> <p><b>There is a risk of serious failure in the delivery of Health &amp; Safety duties and policy compliance.</b></p> <p>Key effects may include:</p> <ul style="list-style-type: none"> <li>~ significant injury or death of a member of public or staff;</li> <li>~ personal litigation / Corporate Manslaughter claim;</li> <li>~ reputational damage;</li> <li>~ financial loss</li> </ul>	Slight(2)	Critical(5)	10	<ul style="list-style-type: none"> <li>~ H &amp; S committee</li> <li>~ Reports to Corp Governance committee</li> <li>~ Safety reps</li> <li>~ Dedicated retained H &amp; S advisory resource (new Officer to be appointed)</li> <li>~ H &amp; S audit completed with resulting action plan</li> <li>~ H &amp; S training sessions March-April 2013</li> <li>~ Delivery of Corporate H &amp; S action plan (implement, monitor progress &amp; KPIs, &amp; review)</li> <li>~ H &amp; S Theme "audit" process to be completed</li> <li>~ Deliver actions from H &amp; S audit</li> </ul>	Very Unlikely(1)	Critical(5)	5
10	<p><b>Corporate Governance arrangements on running the business</b></p> <p>Lack of 'policing' of corporate governance arrangements means:</p> <p><b>There is a risk of failure to comply with key internal controls &amp; corporate governance arrangements</b> (ie budget monitoring, risk management, debt management, performance management, compliance with audit recommendations, asset management).</p> <p>Key effects include:</p> <ul style="list-style-type: none"> <li>~ inaccurate budget forecasting &amp; financial loss;</li> <li>~ project or service failure or under-performance:</li> <li>~ reputational damage;</li> <li>~ Government intervention</li> </ul>	Likely(4)	Major(4)	16	<ul style="list-style-type: none"> <li>~ Audit programme</li> <li>~ Corporate Governance Action Plan</li> <li>~ Regular CMT &amp; Member reports on Corporate Performance, Risk Management (CMT have now scheduled quarterly performance focus days)</li> <li>~ Financial procedures redrafted - awaiting S151 approval</li> <li>~ Audit recommendations to be reviewed quarterly &amp; progress reported to S151 officer</li> <li>~ Ongoing regular reviews of Internal Audit Plan (progress and appropriateness) by S151 Officer</li> <li>~ Financial Regs and Financial Procedures to be relaunched by Strategic Finance Officer in spring 2013</li> <li>~ Commitment by CMT to raise profile of 'Corporate Health' issues and to performance management</li> </ul>	Slight(2)	Major(4)	8



11	<p><b>Welfare Reform risk</b></p> <p>There is a risk that:</p> <p>a) the Council does not adequately prepare for the impact of the Government's Welfare Reform Agenda on our community or services (CTRS, Business Rates, Universal Credit)</p> <p>b) there is a legal challenge against the Council tax Scheme</p> <p>Key effects include:</p> <ul style="list-style-type: none"> <li>~ unaffordable CTRS</li> <li>~ undeliverable CTRS</li> <li>~ community unaware of the changes ahead</li> <li>~ financial impact (legal costs, higher CTS costs if have to revert to default scheme)</li> </ul>	Feasible(3)	Major(4)	12	<ul style="list-style-type: none"> <li>~ Regular liaison with other Somerset authorities</li> <li>~ Briefings to Somerset CEOs each quarter</li> <li>~ CTRS approved Dec 2012 - impact &amp; take-up to be reviewed (summer 2013)</li> <li>~ Business Rates NDR1 approved Jan 2013</li> <li>~ Robust approach to consultation and Equalities Impact Assessment, and pooling of best practice amongst Somerset Districts</li> <li>~ Inclusion of a 'hardship scheme'</li> <li>~ Opportunity re Business Rates Pooling to be reviewed (summer 2013)</li> <li>~ Update to Members re Universal Credit (summer 2013)</li> <li>~ Monitoring arrangements put in place re Business Rates Localisation</li> <li>~ Monitoring arrangements put in place re collection fund</li> </ul>	Slight(2)	Minor(2)	6
Risk No.	Risk / Issue description	Current Assessment		Score	Risk Response Actions	Target score (post response)		Score
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12	<p><b>Civil Contingency &amp; Business Continuity Planning (including IT Disaster Recovery)</b></p> <p>Should there be a lack of adequate planning or effective arrangements in place: There is a risk that TDBC may be unprepared for and unable to provide an adequate response to a major emergency incident , or may demonstrate a lack of resilience to unexpected events.</p> <p>Key effects may include:</p> <ul style="list-style-type: none"> <li>~ loss of life;</li> <li>~ major disruption to services;</li> <li>~ unplanned costs;</li> <li>~ Reputational damage;</li> </ul>	Slight(2)	Critical(5)	10	<ul style="list-style-type: none"> <li>~ Planning to date has focussed initially on 'loss of staff' due to major event (eg Pandemic Flu), and latterly on 'loss of facilities' (eg Terrorist incident at Deane House);</li> <li>~ Service specific &amp; corporate plans for 'loss of staff' &amp; 'loss of facilities' have been completed / updated;</li> <li>~ SCC Civil Contingencies Partnership resource is available to support managers in this task;</li> <li>~ CMT emergency rota in place 24/7 stand-by;</li> <li>~ On-going training of CMT when opportunities arise</li> <li>~ Audit of Civil Contingencies and action plan resulting</li> <li>~ Civil Contingencies audit action plan to be implemented</li> </ul>	Slight(2)	Critical(5)	10
13	<p><b>Gypsies &amp; Travellers</b></p> <p>Local Authorities have a (planning) duty to allocate suitable provision for Gypsies &amp; Travellers. TDBC has had previous experience of illegal Gypsy &amp; Traveller encampments.</p> <p>There is a risk that TDBC is unable to identify suitable provision if required and cannot defend against future illegal encampments.</p> <p>Key effects may include:</p> <ul style="list-style-type: none"> <li>~ unable to respond to community or political pressure;</li> <li>~ financial impact (eg high legal fees);</li> <li>~ reputational damage</li> </ul>	Likely(4)	Significant(3)	12	<ul style="list-style-type: none"> <li>~ report to Scrutiny describing our options and recommending approach to allocate sites - Scrutiny &amp; Portfolio Holder have supported approach</li> <li>~ sites need to be allocated in the Site Allocation document (adoption early 2015)</li> <li>~ explore options for TDBC to purchase sites</li> </ul>	Slight(2)	Significant(3)	6




14	<p><b>Southwest One partnership</b></p> <p>SW1 is sustaining significant losses &amp; one of the partners has renegotiated significant elements of their contract with SW1.</p> <p><b>There is a risk of the SW1 partnership failing to deliver TDBC objectives, and/or a premature termination of the contract.</b></p> <p>Key effects may include:</p> <ul style="list-style-type: none"> <li>~ Decline in in-scope service delivery</li> <li>~ Adverse 'knock-on' impact on core-council services</li> <li>~ Financial impact</li> <li>~ Termination may result in services being brought back in-house (this is both a risk and an opportunity)</li> <li>~ Reputational damage</li> </ul>	Slight(2)	Critical(5)	10	<ul style="list-style-type: none"> <li>~ SW1 action plan to address financial &amp; service delivery issues</li> <li>~ TDBC contingency planning for contract termination</li> <li>~ Legal advice</li> <li>~ Maintaining communications between partners via existing governance structures</li> <li>~ SWOne has new CEO providing an opportunity to reset the partnership and working relations between the partners - the relationship with SW1 has greatly improved since the new CEO started</li> <li>~ We are modelling alternative options</li> </ul>	Slight(2)	Significant(3)	6
15	<p><b>Hinkley Point</b></p> <p>The development of a the new Hinkley C power station (a 10 year construction period) may cause a variety of threats and opportunities to the achievement TDBC strategic objectives.</p> <p><b>There is a risk that the development will have an adverse impact on local accommodation, skills &amp; employment and highways, and/or Economic &amp; Social opportunities may not be realised (eg benefits to local businesses &amp; the local economy of permanent inward migration).</b></p> <p>Key effects may include:</p> <ul style="list-style-type: none"> <li>~ homelessness increases and TDBC is unable to discharge its homelessness obligations;</li> <li>~ increase in housing demand &amp; lack of affordable housing;</li> <li>~ increased congestion (impacting on Growth &amp; Regeneration goals / inward investment)</li> </ul>	Likely(4)	Significant(3)	12	<ul style="list-style-type: none"> <li>~ EDF studies being monitored</li> <li>~ Liaison with Highways Agency; SCC; &amp; neighbouring Authorities (working groups)</li> <li>~ Awarded money through Section 106 Agreement</li> <li>~ TDBC Local Impact report to be submitted to the Infrastructure Planning Committee (IPC)</li> <li>~ Housing Fund available to help mitigate accommodation impacts in TD area</li> <li>~ Working with SCC on inclusion of road infrastructure project at key 'pinch points', including Creech Castle junction and J25.</li> </ul>	Feasible(3)	Significant(3)	9

Risk No.	Risk / Issue description	Current Assessment		Score	Risk Response Actions	Target score (post response)		Score
		Probability	Impact			Probability	Impact	
16	<p><b>Flooding</b> Lack of capital finance and an agreed scheme, and lack of awareness of the problem <b>There is a risk of non delivery of flood protection schemes</b> Effect - prevent or affect timing of delivery of developments (Town Centre, Monkton Heathfield) / detrimental impact on existing residential and commercial properties</p>	Likely(4)	Critical(5)	20	<p>~ Exploring solutions with Environment Agency ~ Raised as issue with LEP ~ Identified in IDP ~ 'Flood Alleviation Solutions' project has been initiated - Project aims, scope, success criteria &amp; work-streams to be clearly defined ~ Robust project management &amp; governance (separate project risk register in place)</p>	Feasible(3)	Major(4)	12
17	<p><b>Equalities</b> TDDBC does not have a dedicated resource for equalities. The Strategy team continues to take responsibility for embedding equalities, however an audit report (Nov 2012) on 'Equalities Analysis Integration' offers only 'Partial assurance' and recommends 3 actions with 'Priority 4' rating. 4 risks were identified and given a 'Medium' Auditor's Assessment - these are: <b>Risk 1 - Decision makers and contractors are unaware of their responsibilities under equalities legislation</b> <b>Risk 2 - Equality analysis is not used to inform decisions and policies</b> <b>Risk 3 - Irrelevant and insufficient evidence is used for equality analysis</b> <b>Risk 4 - Actual impacts are different to those expected</b> Effects: Failure to comply with Equalities Duties, Legal challenge, reputational damage, financial impact, lack of equality</p>	Likely(4)	Major(4)	16	<p>A Corporate Equality Action Plan has been developed with CMT and has been considered by Corporate Scrutiny. This identifies a programme of action (for the whole organisation) to address the risks identified within the SWAP report ~ Equalities Action Plans (corporate, S &amp; P team, other Themes) ~ 6-monthly update reports to CMT &amp; Scrutiny ~ Quarterly performance scorecards</p>	Slight(2)	Significant(3)	6
18	<p><b>Brewhouse Theatre</b> The theatre closed and went into administration in February 2013. <b>There is a risk that the theatre remains empty, reducing Taunton's appeal as a cultural destination and leaving a major gap in the heart of the Town's 'cultural quarter'.</b> Effect - Damage to Taunton's reputation, loss of footfall in the Town Centre, reduction in cultural offer within the Town.</p>	Likely(4)	Major(4)	16	<p>~ TDDBC is in discussion with administrators with a view to acquiring the Brewhouse ~ Consultants have been appointed to advise on future operating models, pending outcome of administration.</p>	Feasible(3)	Major(4)	12

# TDBC RISK MANAGEMENT ACTION PLAN 2013/14 (May 2013) Appendix B

**Aim:** To embed a Risk Management culture, leadership & systems across the Authority.

Item	Action	Priority	Responsible Person	Date for completion /review	Status	Notes
1	Review of Corporate Risk Register (inc Risk Response action plans & regular monitoring of these)	H	CMT	Sept 12 (Qtr 1) ✓ Nov 12 (Qtr 2) ✓ Feb 13 (Qtr 3) ✓ May 13 (Qtr 4) ✓	😊	Standing agenda item on CMT quarterly performance reviews. Last CMT corporate risk review 8 <sup>th</sup> May 2013
2	Review and revise Risk Management Policy, Strategy & Process Guide.	M	DW	2013/14	😐	RM Strategy & Process Guide being used by CMT & Project Managers. RM Policy review not yet commenced.
3	<p><u>Risk &amp; Impact Assessments</u></p> <p>Redesign and streamline the current Risk Assessment and Equality Impact Assessment processes to achieve the following:</p> <ul style="list-style-type: none"> <li>• <i>Risks and Impacts are assessed consistently across the Council.</i></li> <li>• <i>Risks and Impacts are assessed from the outset and considered during the development of any project, decision, service plan or policy.</i></li> <li>• <i>CMT &amp; Members are fully aware of potential risks and impacts during decision making.</i></li> </ul>	M	DW	Sept 2013	😊	<p>The Strategy &amp; Performance team have initiated a project to review the Council's approach to 'Impact Assessments' (including committee reports). A new approach will be proposed to CMT that will extend the existing Risk Management process to highlight all types of impacts, ie Equalities, Finance, Legal, Environmental, Community Safety etc). One of the project outcomes will be to provide guidance for report authors.</p> <p>Project 'PID' discussed with CEO and may be introduced as part of project business cases (such as Corporate Business Plan savings plans).</p>
4	Bi-annual RM report to Corporate Governance Committee	H	DW	March & September	😊	Last reported 11 March 2013. Requested at last CG cttee to bring update in June 13

Item	Action	Priority	Responsible Person	Date for completion /review	Status	Notes
5	Ensure Risk Management Strategies are in place for key risk areas: <ul style="list-style-type: none"> <li>i. Strategic (Corporate Business Plan)</li> <li>ii. Programme / Major Projects</li> <li>iii. Operational (Theme / Service Planning)</li> </ul>	M	<ul style="list-style-type: none"> <li>i. CMT</li> <li>ii. PMG</li> <li>iii. DW / TMs</li> </ul>	On-going 2013/14		Strategic RM strategy in place for 2012/13 – needs update once new CBP adopted. Generic Theme/Service RM strategy in place. Project Managers (PMG) requested to complete by Dec '12 – off track.
6	<u>Learning lessons:</u> <ul style="list-style-type: none"> <li>- insurance claims</li> <li>- project management (ie at closure stage)</li> <li>- partnership issues</li> </ul>	M	CMT / PMG	On-going	<b>New</b>	No progress at this stage
7	<u>Linking Risk and Performance</u> ensure 'Early Warning Indicators' are included in corporate performance monitoring (scorecard) once new Corporate Business Plan adopted	H	DW / SL	Qtr 1 (2013/14)		EWIs to be identified as part of corporate scorecard / PI review (transition from Corporate Strategy to new Business Plan) – May/June 2013
8	<u>Project risk management</u> (ref SWAP audit Oct '12) Ensure robust Risk Management approach is embedded & processes are in place for all major projects (ie scope of new Programme Management Group), in particular: <ul style="list-style-type: none"> <li>i. Risk Registers kept up-to-date and reviewed regularly (documenting control measures, revised risk scores etc)</li> <li>ii. Health &amp; safety risk to be fully considered within the RM process,</li> <li>iii. Develop H &amp; S processes for construction projects</li> <li>iv. On-going RM support and training for project managers (through PMG and in other projects on ad-hoc basis)</li> </ul>	H	<ul style="list-style-type: none"> <li>DW / Project Managers (PMG)</li> <li>Richard S</li> <li>DW</li> </ul>	<ul style="list-style-type: none"> <li>i) Monthly (PMG)</li> <li>ii) On-going</li> <li>iii) ?</li> <li>iv) On-going</li> </ul>		<p>Audit Oct '12 – 'Reasonable assurance' with 5 recommendations (priority rating 2/3).</p> <ul style="list-style-type: none"> <li>i) PMG launched Nov '12. Project risks are included within monthly project scorecard reports to PMG, however only 2 Project Risk Registers are currently uploaded to PMG sharepoint.</li> <li>ii) H &amp; S included in Risk Prompt Lists – further development of guidance being considered as part of a wider review of 'Impact Assessment' methodology.</li> <li>iii) Meetings arranged by Richard Sealy in Oct – Nov re H &amp; S processes in construction projects. Issue not resolved (David W has now retired).</li> </ul>