

BABERGH DISTRICT COUNCIL

FROM: DIRECTOR OF FINANCE

REPORT NUMBER: K40

**TO: OVERVIEW AND SCRUTINY
(STEWARDSHIP) COMMITTEE**

DATE OF MEETING: 21 June 2010

REVIEW OF SIGNIFICANT BUSINESS AND OPERATIONAL RISKS

1. PURPOSE OF REPORT

- 1.1 To provide Members with an end of year position, as at 31st March 2010, on the management of a) the significant business risks and b) the key service and operational risks facing the Council, and to update Members on further actions on risk management that are being taken to mitigate against these.

2. RECOMMENDATIONS

- 2.1 That the latest position on managing each of the Council's significant business and key service/operational risks, as set out in Appendix A and C respectively, be noted.

The Committee is able to resolve this matter.

3. FINANCIAL IMPLICATIONS

- 3.1 None directly. Officers will take actions within existing budgets and resources. Member approval will be sought for any actions that require additional resources.

4. RISK MANAGEMENT

- 4.1 This report is most closely linked with the Council's Significant Business Risk No.7. Financial, Performance and Risk Management. Key risks are set out below:

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
If robust risk management arrangements are not in place, this could affect the achievement of the Council's strategic aims and priorities, key projects, the delivery of services and its reputation.	Low	Critical	Further actions continue to be taken as part of the Management Action Plans. Risks continually managed and re-assessed.

5. **EQUALITY AND DIVERSITY IMPACT**

5.1 There are no equality and diversity implications.

6. **KEY INFORMATION**

Key Messages

Significant Business Risks

6.1 Risks facing the Council continue to provide on-going challenges, which officers are actively monitoring and reviewing.

6.2 Appendix A provides Members with an end of year position, as at 31st March 2010, on the management of the significant business risks facing the Council (through the Management Action Plans) compared to the position reported in January 2010. Appendix B summarises the existing risk rating score with likelihood and impact shown.

6.3 A review of the likelihood and impact of each significant risk has been undertaken (i.e. the risk rating) and no immediate changes to those reported to this Committee in January 2010 are proposed. Below sets out some of the reasoning behind retaining the existing risk rating:

- Risk 7 – Financial, Performance and Risk Management (Risk Rating C2; Likelihood Significant; Impact Critical) - The continuing strong performance and finance management arrangements in place and the successful introduction of MTAPs and the one-year Delivery Plan have significantly helped to address this risk. Looking at this risk in isolation, a rating of C2 could be seen as too high. However, taking into account other significant business risks e.g. savings, capacity and shared services that can impact on this risk, it is considered that the C2 rating should be retained
- Risk 8 – Efficiencies and Savings (Rolling 2 Year Time Frame) (Risk Rating A1; Likelihood Very High; Impact Catastrophic) - The strong focus on savings and efficiencies has allowed a Budget to be set for 2010/11, hence short-term risks have been effectively addressed. However, even more savings and efficiencies will be required for 2011/12 and subsequent years. This risk rating should, therefore, remain at the highest level of A1.

Operational/Service Risks – Service Plans

6.4 In reinforcing Babergh's risk management arrangements, Service Plans now include operational/service risks to ensure that these are effectively managed alongside the Significant Business Risks.

6.5 A separate section within each 2009/10 Service Plan has been devoted to identifying the main operational risks relating to the services. Heads of Service, supported by their service managers, are responsible for ensuring service/operational risks relating to their areas are effectively managed, monitored and reviewed on a regular basis.

- 6.6 Appendix C provides Members with an end of year position, as at 31st March 2010, on the management of the key service/operational risks facing the Council and actions to mitigate these.
- 6.7 These will be regularly refreshed and further training provided as necessary as part of the established approach for service planning in 2010/11. Any changes to the key risks identified in 2009/10 and any further actions that are required will be reported to Members.
- 6.8 This will link in with the planned strategic Risk Refresh, which will be undertaken in the summer. Any issues that arise from this strategic refresh will be fed into the Service Plan risks.

Future Work

- 6.9 The Strategy Committee approved the 10 Significant Business Risks, which will impact on achieving the Council's aims and priorities, in September 2008 (Paper H87).
- 6.10 It is recognised that these should be reviewed on a regular basis and one of the key actions for this summer is to undertake a strategic risk refresh. The timing is especially relevant given the following recent events; a) the inclusion of a Local Government Bill to revoke the previous Government's plans to create a unitary council in Suffolk; b) the newly elected coalition government, which aims, through the Devolution and Localism Bill, to shift power from the state back into the hands of individuals, communities and council's; and c) discussions with Mid Suffolk District Council to explore the scope for achieving integrated management and service delivery arrangements between the two Councils and the possibility of a merged Council.
- 6.11 There is a clear need to find on-going savings and efficiencies, whilst also retaining resilience and increasing capacity amongst our staff to maintain high standards of service delivery. Therefore, the risk scenarios and action plans agreed in September 2008 need refreshing and the impact on other risks such as, for example, capacity, culture and shared services considered.
- 6.12 The risk refresh is planned to commence in July, with Members then considering the position, through a workshop, soon thereafter. The Committee will then formally consider the results of the refresh and make appropriate recommendations to Strategy Committee.

Summary

- 6.13 Continued and ongoing effort, including partnership risks, is being focused on ensuring that risks are continuously reviewed, monitored and managed and that risk management is embedded throughout the organisation.
- 6.14 As a result, the Council's significant business risks and key operational/service risks are being effectively managed. Good progress is being made in implementing actions to reduce the likelihood and impact of the risks. These risks will all be reviewed as part of the planned strategic and operational risk refreshes.

7. **APPENDICES**

- A Significant Business Risk Management Action Plans - update as at 31st March 2010
- B Risk Rating Matrix
- C Key service/operational risks, as at 31st March 2010, and actions taken/to be taken to mitigate these

8. **BACKGROUND PAPERS REFERRED TO:**

None.

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1. Local Government Review

Risk Rating in September 2009 C2.
 Management Team Lead – Pat Rockall

Risk rating reviewed in January 2010 – maintained as C2

Vulnerability: (why, what’s happening, what’s the problem)	Trigger/risk: what’s the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be? to whom and why
<p>Local Government structures in Suffolk subject to review by the Boundary Committee, with any changes likely to be implemented in April 2011.</p>	<ul style="list-style-type: none"> • Failure to engage in the review process • Failure to influence the review process. 	<ul style="list-style-type: none"> • Lack of influence on future local government arrangements • Inability to engage with partners in change planning process • Not able to manage transition to new arrangements • Poor morale/motivation amongst staff and Members. • De- stabilising impact on Babergh District Council of ‘threat’ of externally imposed change • Detrimental impact on service delivery.

Management Action Plan

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Full engagement of elected Members through Members' seminars; Strategy Committee and Full Council	Full understanding by Members of issues and options and reasoned, timely responses to key events	<p>Sign-off of Babergh's consultation response by 26 September 2008</p> <p>Response to Boundary Committee's final recs. Note: Deadline for BC recs changed from 24/12/08 to 13/2/09 and finally to 15/07/09. Further draft proposals issued by BCE on 19/03/09 for comment by 14/05/09 in order for BCE to then meet Sec of State's July deadline.</p> <p>Engagement with shadow and transitional planning arrangements for new unitary council(s)</p>	<p>Extraordinary Council Meeting 23 September 2008</p> <p>March 2009 Quarterly from April 2009</p>	<p>Boundary Committee proposals published December 2009. Draft representations reported to Council 15 December 2009. Final representations to Secretary of State, as agreed by Council, submitted to meet 19 January deadline. Report will be submitted to Council on 28 January 2010 on possible transitional arrangements if LGR proceeds – deadline for comments to Department of Communities and Local Government 3 February 2010. If LGR proceeds, there will be Member input, as determined by Secretary of State, in the transitional arrangements to new structures</p>	<p>Members kept fully up to date at all stages e.g. through Members' seminars; Strategy and Council reports and e-mails.</p> <p>Report on transitional arrangements submitted to Council 28 January 2010.</p> <p>Decision in February 2010 by Secretary of State to defer decision on LGR in Suffolk pending "constitutional convention" to seek to achieve consensus on unitary solution for Suffolk.</p> <p>Subsequent decision by Suffolk Councils to take no further action on convention prior to General Election in view of political uncertainty.</p> <p>Postscript to update for last quarter: New Coalition Government announced in May 2010 that no further action to be taken to progress LGR in Suffolk and that all Councils should cease any work on this.</p> <p>THIS RISK SHOULD NOW BE REMOVED FROM BDC's STRATEGIC RISK REGISTER</p>

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Full engagement of senior staff in Officer Steering Groups set up to develop business cases for unitary options	To input relevant data and content	Submission of workbooks by Boundary Committee deadline of 19 September 2008 Comments on independent financial assessments of business cases by deadline of 24 December 2008	19 September 2008 24 December 2008	Initial task completed and no actions currently needed. If LGR proceeds, there will be detailed officer input into implementation arrangements – likely to begin in February 2010.	See above.
Full engagement of PLG Members in all Boards set up to oversee development of business cases for unitary options	To oversee quality and robustness of business cases	Submission of workbooks by Boundary Committee deadline of 19 September 2008	19 September 2008	No further action needed	See above.
Structured mechanisms for sharing information with all staff	To ensure that staff area aware of key issues and that there are clear mechanisms for staff to raise issues and concerns	Production of programmed staff bulletins HR meetings with all staff Chief Executive meetings with all staff Divisional staff meetings	Monthly August – September 2008 and as necessary throughout review period October – December 2008 and as necessary throughout the review period On-going	Regular meetings with staff representatives and CE/HR Manager are now taking place to keep staff updated on all key issues facing the Council, including LGR. Chairman of Council and Chairman of Strategy also attending meetings when necessary. Weekly bulletins for all staff available on BEN.	See above. Staff kept fully informed at all stages e.g. through staff meetings, e-mails and weekly Babergh Under Review newsletter on BEN.

2. Shared Services

Risk Rating - September 2009 C3

Risk Rating reviewed June 2010 – remains at C2

Management Team Lead – Mike Hammond

Vulnerability: (why, what's happening, what's the problem)	Trigger/risk: what's the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be, to whom and why?
Problem/Challenge; The need to achieve substantial savings whilst ensuring service delivery in key areas is sustained	Our failure or failure by potential partner councils, to vigorously pursue the opportunities that are available.	<ul style="list-style-type: none"> • Efficiency target not delivered • Reduced capacity and resilience of teams to deliver key services.

Management Action Plan

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Clear political and managerial arrangements in place for key shared services, i.e. waste collection, building control.	Monitoring and review of performance of the service provided	Monitoring by officers and Members of performance against agreed KPIs	<u>Officers</u> – ongoing <u>Members</u> – 6 monthly	Monitoring of existing shared services continues on a regular basis. Ongoing discussions held with potential countywide partners to explore further opportunities.	Monitoring of existing shared services continues on a regular basis. Ongoing discussions held with potential countywide partners to explore further opportunities.

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Review with potential partner councils the opportunities for further shared services now LGR decision is known	Regular review/monitoring at MT/HoS meetings	Identification of future opportunities for shared services	6 monthly	Mechanisms in place, e.g. Directors, Suffolk Chief Executives Group (SCEG), to develop opportunities once LGR discussions known.	Work underway to progress:- <ul style="list-style-type: none"> BDC/IBC/MSDC Revs & Bens shared service. Business Case and Implementation Plan to be reported to strategy Committee July 2010. County-wide waste collection and disposal authority Joint working between BDC, St Eds. And Forest Heath Leisure Trusts
Discussions recently with Mid Suffolk DC on merger of not just services, but also whole functions and management structures	Report to Strategy Committee on 14 January 2010 recommending governance arrangements to drive forward proposed merger	<ul style="list-style-type: none"> Efficiency savings Creation of more sustainable teams with greater resilience Better and more varied career opportunities for staff 	<ul style="list-style-type: none"> PLG – December 2009 Strategy Committee – 14 January 2010 Council – 23 February 2010 	PLG engaged. Formal report to Strategy Committee on 14 January 2010 recommending Babergh and Mid Suffolk commit to preferred partner status and undertake a comprehensive joint review that seeks to develop fully integrated systems of service delivery at management and operational levels by April 2011	Project Plan in place. Work underway, REIP funding secured and significant officer resources committee to prepare. High Level Business Case (HLBC) for Merger/Integration. HLBC to be reported to BDC Strategy Committee 29/07/10 and MSDC Ex. 02/08/10

3. Partnerships

Risk Rating – September 2009

C2

Risk Rating reviewed June 2010 – maintained as C2

Management Team Lead – Mike Hammond

Vulnerability: (why, what's happening, what's the problem)	Trigger/risk: what's the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be, to whom and why?
<p>Problem/Challenge; Babergh is a small council. If it is to achieve its strategic plan it needs to 'punch above its weight' by:</p> <ul style="list-style-type: none"> • Influencing local/sub regional partners to achieve the strategic plan • Influencing, delivering and engaging with Government agenda/regional agenda 	<p>Babergh fails to engage or our partners do not value our contribution.</p>	<p>Failure to lever in resources / expertise of our partners or achieve economies of scale for the benefit of our communities.</p>

Management Action Plan

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
<p>Appropriate Member and officer participation in key partnerships to ensure delivery of Babergh's strategic priorities</p>	<p>Formal nomination of Members and officers to key partnerships and effective monitoring arrangements put in place</p>	<p>Active participation by BDC in partnerships in order to achieve Babergh's strategic priorities</p>	<p>Monitoring of outcome of partnerships undertaken on 6 monthly and/or annual cycle</p>	<p>Monitoring of outcome of partnerships undertaken on 6 monthly and/or annual cycle</p>	<p>Partnership strategy and toolkits approved and implemented</p> <p>Monitoring of outcome of partnerships undertaken on 6 monthly and/or annual cycle</p>

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
<p>Review of partnership working, including implementation of requirements from Audit Commission</p>	<p>Review approach to partnership working to ensure recent guidance from Audit Commission is taken into account</p>	<p>Approval and implementation of a Partnership Strategy</p>	<p>Annually</p>	<p>Outcomes of Paper J140 shared with St Eds and Forest Heath in order to share and learn from experiences of implementing Partnership Strategy.</p> <p>BDC arranging joint training for BDC, St Eds and Forest Heath on the self-assessment of Significant Partnerships.</p> <p>Delivery of innovative projects, e.g. Babergh East LSP – Hadleigh NEETS project which is reducing level of anti-social behaviour in the community and creating employment and education opportunities for young people</p> <p>Partnership Strategy to be applied to all significant partnerships</p>	<p>Outcomes of Paper J140 shared with St Eds and Forest Heath in order to share and learn from experiences of implementing Partnership Strategy.</p> <p>BDC arranging joint training for BDC, St Eds and Forest Heath on the self-assessment of Significant Partnerships.</p> <p>Delivery of innovative projects e.g. Babergh East LSP and WSLSP jointly piloting 'Apprenticeship' scheme on behalf of LAA partnership.</p> <p>Babergh East LSP monitored, reviewed and action taken in accordance with Strategy (see Reports</p>

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
<p>"Preferred partnership" status established with MSDC</p>	<p>Joint Member and Joint Officer Boards established</p>	<p>Economies of scale: Increased savings and efficiencies Increased resilience</p>			<p>BDC Strategy Committee 29/07/10 and MSDC Ex. 02/08/10 consider High Level Business case.</p> <p>BDC Strategy Committee 16/09/10, MSDC Exc. 20/09/10 consider detailed feasibility report</p>

4. Political and Managerial Leadership

Risk Rating – September 2009

C2

Risk Rating reviewed January 2010 – maintained as C2

Management Team Lead – Pat Rockall

Vulnerability: (why, what's happening, what's the problem)	Trigger/risk: what's the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be, to whom and why?
<p>There are serious challenges facing the council and the community that require strong political and managerial leadership.</p> <p>The Council is under no overall control and there are stretched managerial leadership resources.</p>	<p>Inability to provide strong leadership during a period of significant change.</p>	<ul style="list-style-type: none"> • Indecision/poor decision making • Mixed /conflicting messages • Lack of influence in external arenas • Change programme poorly managed and led. • Low morale and motivation • Staff unprepared for future change • Reputation of Council compromised • Not seen as a credible player.

Management Action Plan

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
<p>Regular meetings between Political Leaders' Group and Management Team</p>	<p>Identification of key strategic issues facing the council</p>	<p>PLG Members can provide informed two-way feedback between PLG/MT and their Groups</p>	<p>Every six weeks</p>	<p>On-going. At its meeting on 17 December 2009, PLG endorsed a proposal that the CE take a report to Strategy Committee on 14 January 2010 making recommendations to Council on possible integration of services with Mid Suffolk DC in the event of LGR not proceeding.</p>	<p>During this quarter, the proposal to investigate the business case for integration/merger between BDC and MSDC has been reported to and endorsed by both Councils. Detailed work is now progressing on this.</p> <p>Regular PLG meetings are on-going on this and other key issues facing the Council.</p>
<p>Programmed Members' Seminars</p>	<p>Mechanism for informal dissemination of information to all Members about key issues facing the council</p>	<p>Opportunity for all Members to be well informed and give informal feedback</p>	<p>Quarterly</p>	<p>On-going e.g. see above - update on possible shared services provided to Members at Seminar on 29 October.</p>	<p>On-going.</p>

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Structured reviews of Councils' key priorities	Robust, clear and transparent decision-making processes within a formal, structured framework	Timely decision-making, monitoring and review of key priorities	Quarterly	On-going, as reported in September 2009.	On-going through structured reviews of Strategic Plan and 3 Year Medium Term Action Plans.
Council agreement that O&S (Stewardship) Committee will undertake review of constitution if LGR does not take place or is delayed	To immediately review the adequacy of the current streamlined committee arrangements in the event of not being overtaken by new unitary councils from April 2010, or if there is any significant delay to LGR	Timely review of Babergh's constitution in the event of Babergh DC continuing in existence beyond April 2010	In light of LGR announcements	The work of the Constitution Review Task Group recommenced in December 2009 in order to be in a position to meet the statutory deadline for any constitutional change to Leader & Cabinet arrangements in May 2011 if required.	<p>The work to progress a constitutional review is progressing.</p> <p>On 23 March 2010, O&S (S) Committee agreed to recommend to Council that public consultation be undertaken prior to a decision on whether to change to Leader & Cabinet arrangements.</p> <p>Postscript to last quarter: Council endorsed the O&S(S) recommendation on 20 April 2010 and public consultation is currently underway through the June edition of <i>Babergh Matters!</i> and in addition with key stakeholders e.g. Town and Parish Councils</p>

5. Capacity

Risk Rating – September 2009 B2

Risk Rating reviewed January and April 2010 – maintained at B2

Management Team Lead – Andrew Hunkin

Vulnerability: (why, what's happening, what's the problem)	Trigger/risk: what's the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be, to whom and why?
<p>The Council needs to ensure it has sufficient capacity to: deliver the strategic plan, deliver its planned efficiencies and savings, and deal with the LGR proposals, whilst maintaining and improving services to the public.</p>	<ul style="list-style-type: none"> • Increase in staff turnover • Inability to recruit staff, or staff are recruited without all the necessary skills and competencies • Inadequate funding to deliver services and plans • Inadequate technology to deliver services and plans. 	<ul style="list-style-type: none"> • The Council fails to: deliver the strategic plan, deliver its planned efficiencies and savings, and deal with the LGR proposals, whilst maintaining and improving services to the public. • Customer satisfaction falls • Partner/stakeholder confidence deteriorates • External scrutiny increases and further resources required/diverted.

Management Action Plan

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
<p>An OD Plan is in place and being delivered.</p>	<ul style="list-style-type: none"> • The monitoring and management of the Plan needs to form a more integral part of the SMG agenda. • The Plan needs to be disseminated further throughout the organisation such as the Manager and Team Leaders' Forums. • All parts of the Plan need to be progressed. 	<ul style="list-style-type: none"> • Staff productivity increases as measured through PIs, appraisals and the VFM element of the UoR assessment (strong link to the Performance Management Risk). • The Plans are implemented as timetabled. • Staff feel the Plans are fulfilling their needs and preparing them for LGR link to staff surveys and appraisals). • Staff in appropriate areas and functions have transferable skills (link to flexible working). 	<ul style="list-style-type: none"> • Quarterly as set out in the performance management and Overview and Scrutiny timetables. • As set out in the OD Plan. • The OD Plan forms part of the SMG work programme. • As set out in the Corporate Training and Development Plan. 	<ul style="list-style-type: none"> • The Plan is regularly monitored by the SMG and the Plan is progressing according the timescales set out. • No further dissemination is required this year. • The plan is monitored with reports on progress programmed in to HR Panel and Management Team on a twice –yearly basis. • The Senior Management Team have undertaken leadership workshops and have completed the external Leadership development training. • The OD Plan was to be reviewed as it seemed that LGR was not likely. The Plan now needs to reflect the increased likelihood of LGR and the back-up plan of the integration of services with Mid Suffolk DC at both operational and managerial level. This will be done from 1 April 2010. 	<ul style="list-style-type: none"> • The Plan is regularly monitored by the SMG and is progressing against the timescales set. • No further dissemination is required this year. • The plan is monitored with reports on progress to the HR Panel and Management Team. • The Senior Management Team has undertaken leadership workshops and completed the external Leadership development training. • The OD Plan needs to be reviewed to reflect the work being carried out on shared services (especially with regard to the integration of services with Mid Suffolk DC), and the need for further resilience in light of the current economic climate and the likely austerity measures introduced by any new Government in early 2010/11.

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
<p>A Corporate training & Development Plan is in place and being delivered.</p> <p>Individual training and development needs identified through appraisals and delivered.</p>	<p>The Plan is delivered. The Plan needs to have a higher profile.</p> <p>Individual training and development needs are met</p>	<ul style="list-style-type: none"> • Staff productivity increases as measured through PIs, appraisals and the VFM element of the UoR assessment (strong link to the Performance Management Risk). • Percentage of individual staff training and development needs identified, agreed and met. • Staff in appropriate areas and functions have transferable skills. 	<ul style="list-style-type: none"> • Quarterly as set out in the performance management and Overview and Scrutiny timetables. • As set out on individual appraisal forms, and the centralised HR system. 	<p>All staff have received an annual appraisal through which development needs are identified and reviewed. The training plan from these and other identified corporate training needs is being delivered.</p>	<p>All staff have received an annual appraisal through which development needs are identified and reviewed. The training plan from these and other identified corporate training needs has been delivered.</p>
<p>Flexible working arrangements are in place.</p>	<p>Need to determine how the flexible working arrangements are benefiting the organisation in achieving its business needs.</p>	<p>Staff productivity increases as measured through PIs, appraisals and the VFM element of the UoR assessment (strong link to the Performance Management Risk).</p>	<p>Quarterly as set out in the performance management and Overview and Scrutiny timetables.</p>	<p>Home working and flexible working continue to be monitored and managed.</p>	<p>Home working and flexible working continue to be monitored and managed.</p>

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
<p>2006 restructure of the Council streamlined staffing structures and ensured that resources were targeted at emerging pressures. In 2008, the senior management structure was further refined following the resignation of a Corporate Director.</p>	<ul style="list-style-type: none"> • Ongoing review of newly established teams within the divisions, to ensure that they are robust and that performance levels for key services are maintained and/or improved. • Need to protect capacity to respond to new initiatives 	<ul style="list-style-type: none"> • KPIs improved • Upper quartile/customer satisfaction/Positive external assessment scores. 	<p>The senior management structure will be reviewed early 2009.</p>	<p>The current senior management structure remains in place and final discussions have been held to finalise arrangements. Members of the senior management team have undertaken collective and individual training and development to further improve efficiency and effectiveness.</p>	<p>The current senior management structure is to be further reduced by a service head. If LGR or significant shared service initiatives do not occur, the senior management structure will be reviewed to ensure it is fit for purpose. Members of the senior management team have undertaken collective and individual training and development to further improve efficiency and effectiveness.</p>
<p>Suffolk-wide HR Officer Group</p>	<p>The solutions and strategies need to be developed, and then adopted and implemented by individual councils and county-wide.</p>	<ul style="list-style-type: none"> • Staff turnover rate (especially those giving LGR as the reason for leaving). • Number of applicants responding to vacancy adverts and the number of posts successfully filled. 	<p>Will need to be reviewed after the Secretary of State's announcement in January.</p>	<p>The Suffolk HR Group continue to meet on a regular basis and working together have delivered a Suffolk Wide Leadership and management programme which a number of BDC Managers have attended. An overarching Interim People Protocol has been agreed for LGR transition and turnover has continued to be monitored across the County. Policies for moving forward if LGR goes ahead are being developed.</p>	<p>The Suffolk HR Group continue to meet on a regular basis and working together have delivered a Suffolk Wide Leadership and Management Programme which a number of BDC Managers have attended. An overarching People Protocol has been agreed for LGR transition, which can be used to form the basis of any protocol required for shared service initiatives.</p>

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
HR Panel	This needs to continue.		As set out in the HR panel timetable.	The Panel continue to meet quarterly. This quarter they have focussed on matters arising from the savings and efficiencies programme.	The Panel continues to meet quarterly and consider Organisational Development, HR Policy and issues, LGR, Health and Safety, Fairness and Equal Access, corporate staffing indicators and SJCC matters.
The Council is seen as a good and equitable employer	<ul style="list-style-type: none"> • Staff surveys need to be carried out on a more regular basis. • Systems need to be strengthened that demonstrate the Council's employer role. • The Diversity and Equality Scheme needs to be fully implemented and promoted. 	<ul style="list-style-type: none"> • Staff surveys • Staff turnover. • Staff Exit Forms 	<ul style="list-style-type: none"> • An initial staff survey should be carried out in 2008/09. • Staff turnover and Exit Forms should be analysed and interpreted on a quarterly basis. • The Diversity and Equality Scheme will be monitored by the Equality Steering Group, linking into the SMG work programme. 	<p>Staff turnover and exit interviews continue to be analysed and acted upon.</p> <p>The O&S (S) committee agreed an action plan put together by the Fairness and Equal Access Group, which will move the Authority toward 'Achieving' Level.</p>	<p>Staff turnover and exit interviews continue to be analysed and acted upon.</p> <p>The Fairness and Equal Access Group continue to implement the action plan, which will move the Authority toward 'Achieving' Level.</p>

Conclusion

The actions completed to date have helped to maintain the current risk rating during 2009/10. However, trying to maintain current performance with reducing resources is having an effect on capacity. The risk rating has been reviewed and B2 is still felt to be correct, but this action plan needs to be refreshed to ensure that it deals with the continuing and new challenges that the Council faces.

6. Culture and Change Management

Risk Rating - September 2009 C2

Risk Rating reviewed January 2010 – maintained as C2

Management Team Lead – Pat Rockall

Vulnerability: (why, what's happening, what's the problem)	Trigger/risk: what's the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be, to whom and why?
The Council is facing a great deal of externally imposed change.	Members and staff do not see the need for change or are resistant to change.	<p>The Council as a whole does not change and develop to meet new challenges and demands</p> <ul style="list-style-type: none"> • Reputational damage • Inability to maintain good performance levels • Inability to recruit/retain high calibre staff.

Management Action Plan

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Members kept fully informed of key drivers for change	Regular briefings e.g. through informal mechanisms of Members' Seminars	Members are aware of need for change and demonstrate positive attitude to these drivers	Quarterly	On-going updates through quarterly seminars e.g. at 29 October seminar, progress on savings & efficiencies; possible shared service opportunities and medium term action plans.	On-going updates as previously described e.g. on savings and efficiencies, possible integration/merger with Mid Suffolk and constitutional review.
Staff kept fully informed of key drivers for change	Regular briefings, e.g. through written briefings and face to face discussions	<p>Staff demonstrate flexibility and willingness to learn new skills</p> <p>Good morale and motivation</p> <p>Good service standards maintained</p>	Monthly	CE and HR Manager holding regular meetings with staff representatives on key issues facing the Council. All staff kept updated through weekly newsletters on BEN.	<p>Staff kept fully up to date on above issues through weekly (now fortnightly) Babergh Under Review newsletters on BEN and through meetings with CE and MT members.</p> <p>Postscript: meetings for all staff with CE and MT members during April/May.</p>

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Supporting mechanisms in place to help individuals adapt to new demands	Organisational Development Plan	Training and development mechanisms in place to help Officers and Members adapt to changing demands	Six-monthly	Continued development of the OD Plan and workforce planning to prepare either for LGR or the alternative scenario of service integration with other partner(s) e.g. the possibility of service integration with Mid Suffolk DC	As previous quarter.

7. Financial, Performance and Risk Management

Risk Rating September 2009 C2

Risk Rating reviewed in January and April 2010 – maintained as C2

Management Team Lead – Andrew Hunkin & Barry Hunter

Vulnerability: (why, what's happening, what's the problem)	Trigger/risk: what's the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be, to whom and why?
<p>The Council needs to deliver the strategic plan, deliver its planned efficiencies and savings and deal with the LGR proposals, whilst maintaining and improving services to the public. It will only do so if financial, performance and risk information is managed efficiently and effectively.</p>	<ul style="list-style-type: none"> • Failure to embed risk management, including partnership risks • LGR impacts on capacity and focus on maintaining/improving financial and performance management • Targets set are not achieved • Direction of Travel and relative performance improvement compared to others not maintained. 	<ul style="list-style-type: none"> • The Council fails to deliver the strategic plan, deliver its planned efficiencies and savings and deal with the LGR proposals, whilst maintaining and improving services to the public • Service standards/quality suffers. Customer satisfaction falls • External scrutiny increases and further resources required/diverted - impact on CAA, Direction of Travel and Use of Resources assessments by Audit Commission (embeddedness) • Could affect Corporate Governance arrangements (annual governance statement) • Partnerships don't deliver desired outcomes and partner/stakeholder confidence deteriorates.

Management Action Plan

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Performance and finance information to Overview and Scrutiny committees, SMG and Management Team and in circulation in divisions for corrective action.	There needs to be increased attention on dealing with identified variances.	<ul style="list-style-type: none"> • The basket of key PIs. • The identification of variances and action plans put in place to deal with them. 	Quarterly as set out in the performance management and Overview and Scrutiny timetables.	No further progress required. Reporting, particularly around variances and Member consideration of these, is working well.	<p>The Q3 report for 2009/10 has been considered by the O&S (Stewardship) Committee and the year end report, including a more detailed report on financial outturn is being presented to Members in June 2010.</p> <p>Reporting, particularly around variances and Member consideration of these is, therefore, working well. No further action required.</p>
Medium term action plans (MTAPs) are being created to deliver and demonstrate delivery of outcomes within the strategic plan.	MTAPs to be completed, implemented and managed.	<ul style="list-style-type: none"> • Percentage of expected outcomes in the Strategic Plan delivered. • Delivery of PIs and LAA targets set out in the MTAPs. 	Quarterly as set out in the performance management and Overview and Scrutiny timetables.	<p>A mid-year report (Paper J136) on progress on the One Year Delivery Plan for 2009/10 was reported to this Committee in November 2009. This indicated that the vast majority of actions were on target.</p> <p>The 2010/11 Plan will be considered by Strategy Committee in February 2010.</p>	<p>The 2010/11 One Year Delivery Plan was approved by Strategy Committee in February 2010.</p> <p>The year-end report on achievements on the One Year Delivery Plan is being presented to Members in June.</p>

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Service standards are in place.	Complete the exercise to review and integrate service standards into service delivery.	<ul style="list-style-type: none"> The review of service standards is completed. The management of service standards becomes an integral part of the Performance Management Framework. 	<ul style="list-style-type: none"> The review will be finished by the end of 2008. Service standards performance is reported as part of the final 2008/09 quarterly report. 	More work is required to embed service standards in all Divisions. Some standards will need to be revised or reworded for 2010/11 to give greater clarity to the public and internally to drive performance and improvement. This will form part of the annual performance target setting process.	In terms of embedding embed service standards in all Divisions, some standards will need to be revised or reworded for 2010/11 to give greater clarity to the public and internally to drive performance and improvement. This work forms part of the 2010/11 Corporate Work Programme.
Process in place through SMG, Management Team and the Overview and Scrutiny committees to help the Council prepare for, participate in and learn from external assessment.	<ul style="list-style-type: none"> MIG needs to develop an overall action plan to deal with external assessment. MIG needs to effectively manage the Use of Resources (UoR), Direction of Travel (DoT) and Annual Governance Statement (AGS) assessments. 	<ul style="list-style-type: none"> Overall action plan in place and delivered that allows external assessment to be dealt with more effectively and efficiently. Less duplication of effort. UoR score maintained. DoT shows an increase in the percentage of PIs improving. Improved AGS report. 	End of 2008. UoR, DoT and AGS results known in March 2009.	Outcomes of 2008/09 Organisational Assessment now received, with an overall level 2 (adequate) score. Although this was very disappointing and not felt to fully reflect Babergh's performance and achievements, a lot of work has been done in 2009/10 that addresses the key areas where the Council was only assessed as adequate. Work on the 2009/10 assessment has commenced and this will continue into the first quarter of 2010/11.	Within the overall Organisational Assessment, the Managing Performance Assessment also received a level 2 score. Again, this was very disappointing and not felt to fully reflect Babergh's performance and achievements. The Audit Commission agreed to carry out a review of the Managing Performance Assessment and the results of the review are expected in early 2010/11 (see note below). Work on the 2009/10 assessment is ongoing and external audit (PKF) will continue with this into the first quarter of 2010/11. Babergh has self-assessed at level 3 (Performing Well). (Note: Re-assessed to level 3 – see report on today's agenda)

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
<p>Concessionary fares operator reimbursements – Judicial Review on 17th June 2009. If Judicial Review ruling in favour of operators reimbursement will double for 2008/09, 09/10 and onwards. Counsel's opinion - positive for local authorities re current calculations and reimbursement.</p>	<ul style="list-style-type: none"> • Appointed Queens Counsel to represent all local authorities in the High Court • Currently lobbying LGA to raise profile and put pressure on the Department for Transport to ensure clarity of reimbursement guidance in Statutory Instructions. • Raised awareness at SLGA on 17th July 2009. • All Suffolk local authorities working jointly on instructing legal representation. • If negative ruling for local authorities in the High Court, local authorities to appeal through the European Court. 	<ul style="list-style-type: none"> • N/A 	<p>See Further Progress</p>	<p>Still awaiting Judges ruling, after Judicial Review hearing in November 2009.</p>	<p>Ruling received in favour of Councils. Risk therefore terminated.</p>

Conclusion

The continuing strong performance and finance management arrangements in place and the successful introduction of MTAPs and the one-year Delivery Plan have significantly helped to address this risk. Service Standards are still not fully implemented and no change to the risk rating is recommended at this stage. Looking at this risk in isolation, a rating of C2 could be seen as too high. However, taking into account other significant business risks e.g. savings, capacity and shared services that can impact on this risk, it is considered that the C2 rating should be retained.

8. Efficiencies and Savings (Rolling 2 Year Time Frame)

Risk Rating reviewed September 2009 – revised to A1 (from B2). Further reviewed January and April 2010 and remains at A1.

Management Team Lead – Barry Hunter and Andrew Hunkin

Vulnerability: (why, what's happening, what's the problem)	Trigger/risk: what's the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be, to whom and why?
<p>The Council needs to save significant sums year-on-year on the budget and meet the Government's 3% per annum efficiencies target. HRA savings and efficiencies are also required.</p> <p>(NB: over the initial 2 year timeframe of 2009/10 and 2010/11 financial years, actions have been taken to ensure that the required levels of savings and efficiencies are achieved)</p>	<ul style="list-style-type: none"> • Plans for efficiencies over the next two years not agreed/established • Members/staff don't sign up to and/or engage in making decisions around these requirements and/or delivering them. • Insufficient delivery from shared services, procurement, BPR etc. 	<ul style="list-style-type: none"> • Unable/difficult to achieve council tax increases at or below inflation as per existing financial strategy. • Investment in services (including HRA) less than desired/set out in strategic plan and 2-3 year Medium-Term Action Plans. • Failure to meet 'Gershon' targets resulting in poor Direction of Travel/UOR Assessment. • Service quality suffers. Unable to maintain/improve services. • Service cuts possible. • Potentially unrealistic calls on limited resources.

Management Action Plan

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
<p>The SFP process and budget quantifies and identifies the level of savings and efficiencies required</p>	<p>Considered by Members and officers throughout the SFP process, having regard to the impact of the economic downturn</p>	<p>Requirements clearly reflected in the budget</p>	<p>SFP process from September 2008 to February 2009</p>	<p>Now anticipated that the overall Revised Budget for 2009/10 will reflect achievement of the £1.3m savings target.</p> <p>Latest forecast target for 2010/11 is £1.6m of which £0.2m is still to be identified. The SFP Task Group will be recommending where this could be found to either the Council meeting on the 28 January or to the final February Budget setting meetings in February.</p> <p>Forecast of potential savings needed for the following 3 years will be set out in the Medium-Term Financial Strategy, which will also be considered by Members in February.</p>	<p>The Revised Budget for 2009/10 reflected achievement of the £1.3m savings target.</p> <p>In February, Council agreed final proposals for meeting the remaining £0.2m 2010/11 budget shortfall and approved the Budget for 2010/11 and the Medium Term Financial Strategy for 2011/12 to 2013/14.</p> <p>Work will start early in 2010/11 (Q1) on identifying where the savings, assessed at amounting to potentially approaching £1.5m, saving for 2011/12 can or should be found.</p>

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Mechanisms to deliver these through the Corporate Work Programme	Rigorous challenge of expenditure and costs, existing processes, staff vacancies etc. to ensure required level of efficiencies and savings are delivered	Achievement of requirements, including any changes resulting from the impact of the economic downturn	Quarterly	<p>Substantial progress made via Corporate Work Programme to ensure all aspects fully considered.</p> <p>Ongoing discussions with staff and Unison in terms of reductions in staff terms and conditions.</p> <p>Staff are being kept informed of the proposed integration of management and service delivery with Mid Suffolk District Council.</p>	<p>The Savings and Efficiency Programme, which set out the elements and timetable for considering expenditure and costs, existing processes, staff vacancies etc. was incorporated into the Corporate Work Programme.</p> <p>A Collective Agreement between UNISON and management on the variation to terms and conditions of employment for all staff was agreed by Council in February.</p> <p>Staff and Members are being kept informed of the proposed integration of management and service delivery, and possible merger with Mid Suffolk District Council.</p>

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Reporting on 3% per annum Government efficiency target	Gathering and recording of proposed and actual efficiency savings (NI 179)	Achieve minimum 3% annual target	October – estimate for the year June – actuals reported	Additional estimated efficiencies of £306k reported to the Government for 2009/10. This would result in a cumulative total for 2008/09 and 2009/10 of nearly £1.2m, which would considerably exceed Babergh's target of around £850k. Local Government target for 2010/11 onwards is increasing to 4% - about £560k for Babergh. Efficiencies identified as a result of the Savings & Efficiencies Plan and proposed integration with Mid Suffolk DC should deliver significantly on this.	As January 2010. The actual efficiencies achieved will be submitted in the NI179 return in June 2010. Some efficiencies, resulting from the voluntary redundancies exercise, will feed into the 2010/11 efficiencies target, others feature in the £1.6m overall savings, efficiencies and additional income identified in the 2010/11 Budget.
Strategic Procurement Framework	Delivery of savings and efficiencies targets through the strategic framework	£50,000 minimum target set for 2008/09 with a 'stretch' target of £100,000	Quarterly by Senior Management Annually/Six-monthly by O&S (Stewardship) Committee	Savings have exceeded the minimum target of £50K. Savings to date stand at £68K.	The latest projection is that savings of over £150,000 will be achieved in 2009/10. Therefore the 2009/10 financial target of £50,000 savings generated through procurement initiatives has been exceeded, as has the 'stretched' target of £100,000. Of the savings achieved in 2009/10 60% were related to the General Fund and 40% were related to the Housing Revenue Account.

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Delivery of efficiency savings through specific plans and projects	Ensure existing projects such as CAST and LAMP deliver the agreed levels of cashable savings	Cashable savings for each project fully achieved	Specific arrangements for each project	<p>These two projects are now complete.</p> <p>The corporate Savings & Efficiencies Plan has been the main tool for driving forward savings and efficiencies for the current year – which are being reported as part of the SFP report to Members.</p>	As January 2010 and indicated above – further efficiency savings, as identified in the 2010/11 Budget, will need rigorous monitoring by MT/HoS and this will be reported to Members through the quarterly performance management reports.

Conclusion

The strong focus on savings and efficiencies has allowed a Budget to be set for 2010/11, hence short-term risks have been effectively addressed. However, even more savings and efficiencies will be required for 2011/12 and subsequent years. This risk rating should, therefore, remain at the highest level of A1.

9. Project & Programme Management

Risk Rating September 2009

C2

Risk Rating reviewed June 2010 – maintained as C2

Management Team Lead – Mike Hammond

Vulnerability: (why, what's happening, what's the problem)	Trigger/risk: what's the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be, to whom and why?
The approach of reduction in resources and proposed merger with MSDC and our new Strategic Plan could affect the timetable for the delivery of several major capital projects and programmes. Are we still able to deliver in terms of capacity and funding?	Decisions made to proceed with certain projects, which then fail due to unforeseen events or poor management.	<ul style="list-style-type: none"> • No legacy left by Babergh • Capital funding transferred to a subsequent authority • Repercussions on Members and staff • Damage to Babergh's reputation • Key points which deliver BDC's corporate priorities and make a difference to local communities are not delivered

Management Action Plan

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Review of: <ul style="list-style-type: none"> ▪ timing and scope of significant uncommitted projects ▪ timing of decisions on future use, ownership and management of Babergh's property assets, i.e. housing stock and car parks 	Actions integrated into timetable setting of the budget	Resources allocated. Outline business case for specific projects	<ul style="list-style-type: none"> ▪ Service and Financial Planning Task Group considered November/ December 2009 ▪ Report to Strategy Committee and Council as an integral part of Council's budget making process 	February 2010 – agreement to budget by Full Council. January/February 2010 – Member agreement to “preferred partner” status with MSDC to be sought.	<ul style="list-style-type: none"> • Service and Financial Planning for 2011/12 underway. Member Task Group supported by officers to review Resources available and the Capital Programme.

Action/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/ Key dates	Progress reported to O&S (S) Cttee in January 2010	Further progress and additional actions being undertaken/required
Improve monitoring of significant projects by senior management	Programme Board to report progress on significant projects to Senior Management Team and onto MT on a quarterly basis.	Monitoring and active management (to correct variations) of significant projects by senior management, thereby ensuring the Council's significant projects are managed effectively so there is a higher probability of them being completed according to the terms of reference and timescales.	Quarterly	Ongoing monitoring undertaken by the Programme Board.	Ongoing monitoring undertaken by the Programme Board with variations (red flags) reported to MT/HoS. Project Management process documentation and status reports available to view online (See Ryan).
Through annual appraisal system, monitor training needs of staff including training for project and programme management	Further develop and deliver Project Management training, tailored to BDC needs, for key staff	BDC staff trained as project managers. Project management skills and methodology are universally used across the Council, thereby reducing the risk of project failure.	Annually	February/April annual appraisals to be undertaken.	February/April annual appraisals to be undertaken With any project management training needs identified and addressed.

10. Local Response to National Issues

Risk Rating – May 2009 B2 (previously C2)

Risk Rating reviewed June 2010 – maintained as B2

Management Team Lead – Mike Hammond

Vulnerability: (why, what's happening, what's the problem)	Trigger/risk: what's the event/what could go horribly wrong?	Consequences: what would occur as a result, how much of a problem would it be, to whom and why?
<p>Recognition that an issue not directly involving the region or district may have an (significant) impact. E.g. Economic downturn (resulting in decrease in public sector expenditure), climate change, influenza epidemic</p> <p>Ensuring that an effective and influential response/reaction to wider issues results in positive outcomes for district.</p>	<p>Failure to respond to or influence changes or impacts proposed by others.</p>	<ul style="list-style-type: none"> • Babergh does not benefit from, or plan for, financial/economic/social/logistical etc. support from particular agencies arising from issue • Results in dis-benefits or deterioration on Babergh's economy, environment, communities • Migration of population, skills economy etc. • Criticism of Council for being seen to fail to respond to issue • Adverse publicity/media reaction.

Management Action Plan

Actions/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/Key dates	Progress reported to O&S (S) Cttee on January 2010	Further progress and additional actions being undertaken/required
<p>Monitoring national programmes that address the risk and which allocate resources to local authorities, e.g. government funding/reductions to Homes and Communities Agency; Changes to R.S.S.</p>	<p>It is the responsibility of Management Team & Heads of Service to raise risks that have this level of impact.</p>	<p>BDC accesses relevant resources/ advice from Government/National Bodies to mitigate impact of the event.</p>	<p>Annually</p>	<p>Continual monitoring and networking with others to identify any emerging issues.</p> <p>Progress on LDF and provision of Gypsy and Traveller sites to be reviewed once Government decision on R.S.S. known.</p>	<p>Service/Financial Planning:</p> <p>Reductions in Government funding to be taken account of in service and Financial Planning Process</p> <p>Economic Downturn:</p> <ul style="list-style-type: none"> • BDC involvement in LSP Apprenticeship Scheme. • BDC involvement in Redundancy Support Programme. • Support for Local Business through provision of accommodation, prompt payment of invoices. • Funding for Choose Suffolk. <p>Diversity Issues:</p> <ul style="list-style-type: none"> • Member and Officer champion appointed and Officer Group. • Adopted Single Equality Scheme • Working towards consultation with Hard to Reach Groups. • Equality Impact Assessments underway. • Progress on LDF and provision of Gypsy and Traveller sites to be reviewed once Government decision on R.S.S. known

Management Action Plan

Actions/controls already in place	Required management action/control	Critical success factors & KPIs	Review frequency/Key dates	Progress reported to O&S (S) Cttee on January 2010	Further progress and additional actions being undertaken/required
<ul style="list-style-type: none"> ▪ Monitoring national programmes that address the risk and which allocate resources to local authorities, e.g. government funding/reductions to Homes and Communities Agency; Changes to R.S.S. ▪ To engage with partners in identifying and responding to national issues at a Local Level. 	<p>It is the responsibility of Management Team & Heads of Service to raise risks that have this level of impact.</p>	<p>BDC accesses relevant resources/ advice from Government/National Bodies to mitigate impact of the event.</p>	<p>Annually</p>	<p>Continual monitoring and networking with others to identify any emerging issues.</p>	<p>Carbon Reduction/Climate Change:</p> <ul style="list-style-type: none"> • Carbon Management Plan with resources allocated and targets for carbon reductions. • Actions underway to develop Planning Policies (LDF) to mitigate impact of climate change. • Actions underway to manage Councils Assets to reduce carbon emissions. <p>Swine Flu: Risk closed.</p>

**RISK RATING FOR EACH SIGNIFICANT BUSINESS RISK
FACING THE COUNCIL**

Likelihood				
A <i>high</i>				8
B <i>High</i>			5, 10	
C <i>Significant</i>			1, 2, 3, 4, 6, 7, 9	
D <i>Low</i>				
E <i>Very low</i>				
F <i>Almost impossible</i>				
Impact	4 <i>Negligible</i>	3 <i>Marginal</i>	2 <i>Critical</i>	1 <i>Catastrophic</i>

Definitions:

LIKELIHOOD		IMPACT	
A	Very High	1	Catastrophic
B	High	2	Critical
C	Significant	3	Marginal
D	Low	4	Negligible
E	Very Low		
F	Almost Impossible		

Key Service/Operational Risks 2009/10

Area	Risks	Consequences	Action Taken or Needed
ICT and Information Management	IT officers can gain access to applications because of their overall system rights.	Monies misappropriated. Loss of trust in the system	<p>Action Taken</p> <p>Gap analysis undertaken to determine current state of credit card handling vs. Payment Card Industry (PCI) Data Security Standard (DSS).</p> <p>Action Needed</p> <p>Ensure that PCI DSS standards are put in place.</p>
	Wrong information issued with respect to listed buildings due to poor information being stored about curtilages.	Owner sues Council to pay for alteration work required to restore building	<p>Action Taken</p> <p>There isn't enough resource to visit all our 4000 listed buildings to ensure our information is 100% accurate – Tolerate risk.</p> <p>Action Needed</p> <p>The LAMP project will be fully implemented by 30 June 2010. This project is being managed by the Programme Board and overseen by the Information Management Task Group</p>

Area	Risks	Consequences	Action Taken or Needed
Customer Services	Staff capacity – vacancies, new staff and sickness. Technology changes and data quality	Drop in performance and achievement of service standards	<p>Action Taken</p> <p>Development work on the Shared Revenues Partnership (Revenues & Benefits -BDC, IBC, MSDC) was accommodated successfully during Jan- March 2010. Additional caseload and economic conditions effectively managed with no significant impact on performance.</p> <p>Action Needed</p> <p>None other than continuing service and performance management.</p>
Affordable Housing	Failure to deliver the programme	Housing needs not met	<p>Action Taken</p> <p>The 3-Dragons toolkit is used to test site viability and argue for a particular level of affordable housing delivery or support bids for grant funding.</p> <p>Action Needed</p> <p>The officer led Babergh Land Development Group continues to look for and progresses Babergh land for the delivery of affordable housing.</p>

Area	Risks	Consequences	Action Taken or Needed
Community Grants Scheme	Reduced future funding due to need to make savings	Voluntary Organisations and/or valuable services for the community lost	<p>Action Taken</p> <p>Clarity about the impact of such reductions were fully considered by officers and Members in order to make informed decisions</p> <p>Action Needed</p> <p>Provide advice to partners about other funding sources.</p>
Leisure and other activities, including those aimed at specific target groups e.g. disabled	Reduction/withdrawal of activities	Impact on vulnerable groups and health priority	<p>Action Taken</p> <p>Incorporated disability activity into mainstreamed sports development work and leisure action plans.</p> <p>Action Needed</p> <p>Work with leisure trusts across Western Suffolk on possible shared services to reduce costs.</p> <p>Introduce support plans for development at Kingfisher Leisure Centre to maximise income generation.</p> <p>Identify what grant pots are available towards projects that meet corporate priorities.</p>

Area	Risks	Consequences	Action Taken or Needed
Homelessness	Homelessness levels rise.	Strain and cost of temporary housing increase Harm to Council's reputation	<p>Action Taken</p> <p>Council is leading on new enhanced housing options projects</p> <p>Action Needed</p> <p>Continue to put positive and early preventative actions in place whenever possible</p>
Council House void levels	Council housing void levels rise because of housing staff vacancies	Loss of rental income	<p>Action Taken/Needed</p> <p>Seek approval to fill critical vacant posts relating to void control.</p>
Uninsured liabilities	Uninsured liability claims	Impact on the Council's financial position	<p>Action Taken</p> <p>MMI insurance case still going through the courts. Babergh fully represented and our position is being vigorously defended. Court of Appeal ruling awaited - potentially positive outcome.</p> <p>Action Needed</p> <p>No further action required</p>
Audit and Fraud	Lack of audit and fraud resources	Unable to provide an adequate level of assurance over the Council's control environment Possible increase in fraudulent activity	<p>Action Taken</p> <p>Contract agreement in place with Suffolk County Council to provide a number of audit days</p> <p>Action Needed</p> <p>No further action required</p>

Area	Risks	Consequences	Action Taken or Needed
Asset Management	The Council does not have up-dated asset management plans for its housing stock and its non-housing corporate assets	<p>Planned maintenance programmes for the Council housing stock not in place</p> <p>Component replacement work to the housing stock not done at the appropriate time</p>	<p>Action Taken</p> <p>Revised HRA capital programme for 2009/10 approved together with programme for 2010/11 - no further action required.</p> <p>The 2010/11 capital programme is in line with the Housing Business Plan - no further action required.</p> <p>Action Needed</p> <p>No further action required</p>
Procurement	The Council does not have an up-dated Procurement Strategy supported by the appropriate Contract Procedure Rules and guidance for the purchase of goods and services	<p>Procurements not in accordance with its Contract Procedure Rules/EU Regulations</p> <p>Challenge by an unsuccessful supplier or contractor that they have been treated unfairly during a procurement process.</p> <p>May not obtain value for money by not exploring all the available sources for goods and services e.g. consortiums</p>	<p>Action Taken</p> <p>None - no evidence of Procurement Rules not being followed and no EU procurements during the year.</p> <p>Stretch target exceeded - £157,000 procurement savings achieved.</p> <p>Action Needed</p> <p>None - see above comments</p>

Area	Risks	Consequences	Action Taken or Needed
Knowledge base held by staff in Natural & Built Environment	New and inexperienced staff not yet fully conversant with legislative requirements they are expected to enforce, or existing staff not up to date with changing procedures/regulations.	Incorrect procedures adopted, resulting in appeals/legal action. Additional time preparing defence case. Possible claim for financial compensation or Complaint to ombudsman.	<p>Actions Taken</p> <p>Operational induction programme for new staff working under guidance of a professional colleague. Support of continual professional development. Completion of Personal development plans. Internal briefings and team meetings at which staff are regularly apprised of changes</p> <p>Action Needed</p> <p>No further action</p>
Service Standards within Natural & Built Environment	Failure to process applications and other service requests correctly or in a timely manner in accordance with service standards and targets	Extensive and time consuming investigations. Potential compensation awards. Bad PR for the Council and potential Ombudsman complaints.	<p>Action Taken</p> <p>Electronic data management systems in place. Progress of cases regularly monitored and reviewed. Pro-active management of information. Customer informed of progress. Govt targets achieved</p> <p>Action Needed</p> <p>Review of planning resources and process to maintain performance</p>

Area	Risks	Consequences	Action Taken or Needed
Statutory Inspections	Council fails to undertake statutory duties of inspections	Investigation compromised with effects on public safety. Reputational damage and bad PR Liability, compensation payments. Intervention by Govt agencies	<p>Action Taken</p> <p>Maintenance of risk based inspection programmes. Use of information and intelligence. Close joint working with other agencies. Monitoring of compliance with regulations and conditions. Maintenance of a well trained adequately resourced workforce</p> <p>Action Needed</p> <p>Review of risk assessment processes in response to reduced resources. Joint working with neighbouring authorities to increase resilience.</p>