

Briefing to Cabinet

22 August 2006



The Work of Corporate Risk Management in relation to the Quarter period April – June 2006.

Report of the Deputy Chief Executive on behalf of the Corporate Risk Management Group

Purpose of Report

1. The purpose of this report is to give Members an update on the work carried out by the Corporate Risk Manager and the Corporate Risk Management Group during the quarter period April – June 2006. As well as good management practice, this report also positively responds to a Key Line of Enquiry in Use of Resources under the Comprehensive Performance Assessment.

Background

2. To date within the Council, a large amount of work has already been carried out in shaping and developing our approach to risk management. In summary, Cabinet and the Corporate Management Team have designated the Deputy Leader of the Council and the Deputy Chief Executive as Member and Officer Risk Champions respectively. Together they jointly take responsibility for embedding risk management throughout the Council, and are supported by Keith Thompson (Assistant County Treasurer) and Burney Johnson (Head of Transport Strategy and Design), the lead officers responsible for risk management, as well as the Corporate Risk Manager. Each Service also has a designated member of staff (the Service Risk Manager) to lead on risk management at a Service level, and act as a first point of contact for staff who require any advice or guidance on risk management.
3. Collectively, the Service Risk Managers and the Corporate Risk Manager meet together as a Corporate Risk Management Group. This group monitor the progress of risk management across the Council, advise on corporate and strategic risk issues, identify and monitor corporate cross-cutting risks, and agree arrangements for reporting and awareness training.
4. It is the responsibility of the Chief Officers to develop and maintain the internal control framework and to ensure that their Service resources are properly applied in the manner and to the activities intended. Therefore, in this context, Heads of Service are responsible for identifying and managing the key risks which may impact their respective Service.

Current Status of Risk

- A revised draft Strategic Risk Register has now been prepared by the Corporate Risk Management Group, and will be submitted to the Corporate Management Team (CMT) for final review and approval.
- The top five risks in each Service are summarised in Appendix 2 of this report, and are supported by a level of greater detail in Appendix 3.
- In this quarter, the major item which emerged as raising potential risks was the Lyons Enquiry on local government.

Key Highlights in this Quarter

- A process to ensure effective assessment and highlighting of risks associated with Key decisions has approved by the Corporate Management Team, and is awaiting Cabinet approval.
- The Corporate Risk Manager provided facilitation and support at risk workshops for major projects and initiatives underway within the Council, such as the Local Area Agreement.
- Internal risk management performance indicators have been developed, and data is being collected to establish their adequacy and effectiveness in measuring performance.
- A risk management training plan has been developed, making effective use of the training support offered by Marsh (our Risk and Insurance Advisers), Gallagher Bassett (our Claims Handlers), and Zurich (one of our insurers), as part of their contracted services. Internal resource will also be used, where appropriate, in general awareness raising. This approach will enable us to minimise the costs of training provision.

Recommendation

The Cabinet are requested to note this report.

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on behalf of the Corporate Risk Management Group**

Appendix 1: Implications

Finance

Addressing risk appropriately reduces the risk of financial loss.

Staffing

Staff training needs will be addressed in the 2006-07 training plan.

Equality and Diversity

Addressing risk appropriately reduces the risk of failing to achieve the 5 levels of the Equality Standard for Local Government, which the Council has set out as a target to achieve.

Accommodation

None

Crime and disorder

None

Sustainability

None

Human rights

None

Localities and Rurality

Managing the risk surrounding the Local Area Agreement will positively impact localities through better service delivery.

Young people

Managing the risks surrounding Children and Young Peoples Service will support the delivery of a high quality service.

Consultation

None

Health

Managing the risk surrounding the major partnerships with Healthcare providers will positively impact citizens through better service delivery

Appendix 2: Highest Risks in Each Service (Summary)

The following is a summary of the top five Net risks for each Service, derived from the risk register of each Service. These are based on an assessment by the Service of the impact and likelihood of the risk occurring with existing controls in place.

In this report, risks reported under Children and Young Peoples Services and Adult and Community Services are broken down into categories which reflect the different areas brought together to form these Services. Clearly, at the present time, a major inherent risk for these Services is the transition from the existing Service structure to the new Service structure.

Although Customer Services is a division of the Chief Executive's Office, it has been highlighted separately below due to the high dependency on it by other Services in the Council.

Adult and Community Services

- **Adult Services** - Given the context of demographic shift, the major risks are insufficient funding to meet the demand for eligible Adult services, and the need to improve services to meet changing national standards and changing user expectations, which will impact on the role and size of the internal provider of Learning Disability, Older People and Physical Disability and Sensory Impairment services. Other major risks focus on a reduction in funding for 'Supporting People' (note the stakeholder risk in the relationship with Districts), failure to deliver the Local Area Agreement target for direct payments, and the market being unable to satisfy demand for funded services at an acceptable cost.
- **Community Support** – The major risks facing this Division are reputational, relating to Gypsy and Traveller issues and connected to the lack of capacity in the Gypsy and Traveller service, specifically the management of Gypsy and Traveller sites, litigation around health and safety and Human Rights, and the lack of a strategy for Gypsy and Traveller services. Other major risks are cuts to the Welfare Rights Service, and non-delivery of the Community Safety Strategies.
- **Culture and Leisure** - The major risk is reducing budgets, which diminish the Service's ability to sustain a 'comprehensive and efficient' public library service under the Public Libraries and Museums Act 1964, and other front line services. Other risks include ongoing difficulties with recruiting and retaining front line staff, effects on service from anti social behaviour and vandalism in certain areas of the County, and the effective delivery of capital build schemes.

Children and Young Peoples Services

- **Attainment** - The major risks are failure to meet targets in Key Stage 3 and Key Stage 4 attainment and staying on into post-16 structured learning, and a deterioration in judgements in the next Inspection of the LEA / Annual Performance Assessment / Joint Area Review. Also, the increasing likelihood that the quality of school buildings will deteriorate at a faster rate than the Council can afford to maintain them. These are linked to the ongoing Building

Schools for the Future programme, and the Durham Johnston School project. Failure to promote access to and expansion of service delivery, such as in vocational education, and Schools opting to become foundation or trust schools, leading to an un-coordinated approach to school admissions and school improvement, are also considered important risks.

- **Safeguarding** -The major risks are the closure of part of the Secure Unit due to underutilisation, reduced performance against CSCI, CPA ratings and duties to Safeguard, and the increasing cost of social care provision for children returning from out of County residential schools. Other major risks surround the transition of children and families from Children Services into Adult Services, and the failure of Partnerships to deliver required performance benefits.

Chief Executives Office

The major risks facing this Service are the potential reduction over the next two years of external funding which is used to fund Social and Economic Regeneration Projects in County Durham, and a failure to implement effective partnership arrangements, such as the County Durham Strategic Partnership and the County Durham Economic Partnership. Other key risks include not adequately improving service delivery and access to services through the Contact Centres, and failure to develop policies which reflect national policy.

Customer Services

The major risks facing this Service are a breakdown in working relationships with the third party IT provider on the BSF programme, inadequate level of service delivery to end-users, and a major interruption to IT service delivery. Other major risks surround the lack of an adequate and effective IT strategy, and the relocation of the primary data centre

Corporate Services

The major risks facing this Service are related to procurement, in terms of failing to manage assessments of issues surrounding procurements, and external influences on the procurement strategy. Other major risks include low quality transport monitoring, such as the financial/revenue control for bus services, and the lack of a central programme of training or inspection of vehicles. The failure to undertake recruitment checks, and the inability to attract and retain skilled staff in specific areas, are also major risks.

County Treasurers

The major risks facing this Service are failing to achieve the target savings in the 2006/07 budget, not achieving CPA Use of Resources level 3 and thus losing four-star status, and not setting a budget within the statutory date. Failure to set a robust budget to manage the Authority's finances, and the anticipated benefits of the Dual Responsibility arrangements not being delivered, are the other major risks.

Environment

The major risks facing this Service are those surrounding the Waste Management project. Other significant risks are planning enforcement procedures not being

procedurally correct, the collapse of a lighting column, and failure to deliver the environmental improvements identified in the Urban and Rural Renaissance Initiative.

Service Direct

The major risk facing this Service is the proposed relocation to the Meadowfield site. Other key risks include reduced core workload, uneven workflow patterns, failure to plan for changes in legislation, and the risks associated with maintaining profit levels and reserve fund.

Appendix 3: Highest Risks in Each Service (details)

Adult and Community Services

- **Adult Services**

Risk	Potential Impact	Proposed Treatment
Ineffective commissioning of adult social care services leading to failure to release resources to invest in promoting independence and developing preventative services.	<ul style="list-style-type: none"> • Significant costs in improving buildings to meet standards • Significant opportunity costs given higher cost of in-house services and need for internal inspection regime • Falling demand for in-house provision leads to excess capacity and negative CPA assessment (eg use of resources) • Declining performance standards, affecting star ratings, and bringing critical inspection reports • Increasing dissatisfaction with existing services causing rising complaints • Services will not meet needs and aspirations of service users – damage to public perception of Council 	
Change Management - Change in role and size of internal provider of Older people and Physical Services not effectively managed.	<ul style="list-style-type: none"> • Drop in performance against adult PAF, CSCI and CPA targets leading to loss of star ratings. • Increased risk of serious incidents due to higher staff turnover. • Increase in complaints and poor user satisfaction. • Resistant to change from staff, unions, service users and members causing strategic drift and reduced performance. 	<ul style="list-style-type: none"> • Clear strategic direction and Vision from Cabinet, CMT and Corporate Director of Adult and Community Services. • Project management approach adopted and resourced based on agreed business plan. • Vision linked to development of OHOCOS White Paper and Partnership strategy.
Reduction in Supporting People Funding	<ul style="list-style-type: none"> • De-stabilisation of Supported Housing market. • Learning Disability providers facing reduced funding. • Costs transferred to Adult and Community Service budgets, increasing budget pressures. • Damage to reputation of DCC. 	
Budget Management - insufficient funding to meet demand for eligible services.	<ul style="list-style-type: none"> • Reduced performance against PAF, CSCI and CPA. • Recruitment and retention problems. • Rise in number of complaints and drop in user satisfaction. • Damage to reputation of service. 	<ul style="list-style-type: none"> • Reduce service levels and performance to the minimum acceptable standard and statutory duties only. • Improve commissioning relationship and

	<ul style="list-style-type: none"> • Financial overspend. • Increased risk of market failure. • Cycle of escalating costs due to failure to invest in preventative services. 	<p>information.</p> <ul style="list-style-type: none"> • Introduce new ways of delivering services eg Telecare, intensive home care. • Freeze fees or set new performance criteria for fee increases.
Failure to deliver LAA target for Direct Payments	<ul style="list-style-type: none"> • Failure to gain reward grant. • Damage to LAA relationships. • Damage to reputation. 	<p>Review capacity of service to deliver against LAA target.</p> <ul style="list-style-type: none"> • Direct Payments actively marketed to services users by care managers/coordinators. • Training needed to raise awareness of Direct Payments within services.

• **Community Support**

Risk	Potential Impact	Proposed Treatment
Cuts to Welfare Rights Service impacts income to Durham County Council	<ul style="list-style-type: none"> • Loss of revenue to Durham County Council. • Potential cut to the Revenue Support Grant. • Inability to deliver service. • Impact on other service area budgets. • Ability of service users pay charges. 	
Failure to effectively manage Gypsy and Traveller sites	<ul style="list-style-type: none"> • Complaints to Ombudsman. • Investigation by the Commission for Racial Equality. • Legal challenge. • Health risk to site residents. 	Have alerted Deputy Chief Executive
Gypsy and Traveller litigation issues - Health & Safety, Human Rights	<ul style="list-style-type: none"> • Legal challenge. • Investigation by the Commission for Racial Equality. • Complaints to the Ombudsman. • Increased Community tension. 	Have alerted Deputy Chief Executive
Strategy for Gypsy and Traveller services not developed	<ul style="list-style-type: none"> • Complaints to Ombudsman. • Investigation by CRE.; • Increased unauthorised stopover. • Community tensions 	Have alerted Deputy Chief Executive
Non delivery of Community Safety Strategies	<ul style="list-style-type: none"> • Increase in crime, disorder, anti-social behaviour and substance misuse. 	Performance management frameworks being improved

- Increased fear of crime.

- **Culture and Leisure**

Risk	Potential Impact	Proposed Treatment
Budget Management Insufficient funding to maintain current level of service provision	<ul style="list-style-type: none"> • Further closure(s) of front line public services. • Impact on sustaining communities. • Reputational impact on the Authority. • Loss of employment and effect on staff morale. • Reduced capacity to meet CPA/ performance indicators. 	<ul style="list-style-type: none"> • Continue to seek efficiencies and new ways of working. • Reduce levels of support operations to the minimum level possible as an alternative to closure.
Failure to attract and retain key front line staff	<ul style="list-style-type: none"> • Unsustainably high staff turnover and recruitment costs. • Effect on quality of service and increased pressures on remaining staff. • Loss of attained skills, experience and service continuity. • Reputational damage. • Litigation risks. 	<ul style="list-style-type: none"> • Improve staff communications and early identification of problems. • Seek to introduce more efficient recruitment procedures. • Improved training, development and promotional opportunities.
Effects on service provision from anti-social behaviour.	<ul style="list-style-type: none"> • Detrimental effect on public use of the service. • Actual effect on staff retention. • Resultant loss of capacity to meet service standards and CPA targets. • Increased incidents of mental health related sickness absences. 	<ul style="list-style-type: none"> • Introduce 'Safety and Security in the Workplace' protocol. • Introduce ASB and Incident Reporting System and database to facilitate continuous monitoring. • Seek partnership working with agencies to identify and address problem hot spots. • Investigate the introduction of youth engagement programmes and expansion of Investors in Children initiatives.
Effects on service provision from vandalism	<ul style="list-style-type: none"> • Risks to the public, staff and buildings. • Increasing costs of repairs and maintenance. • Loss of clients and use of the service. • Produces a negative image of the service point, and wellbeing of the community environment as whole. 	<ul style="list-style-type: none"> • Introduction of central incident and cost database • Visible intruder alarm systems and CCTV Improved links with law enforcement, area Community Safety Teams and other agencies. • Investigate the introduction of youth engagement programmes and expansion of Investors in Children initiatives.
Failure in effective project	<ul style="list-style-type: none"> • Failure to deliver projects on time and to budget. 	<ul style="list-style-type: none"> • Seek to build in costs for effective project

management of capital building schemes	<ul style="list-style-type: none"> • Potential cost over-runs and impact on remaining capital programme. • Introduction of reduced schemes to meet budget targets. • Impact on Service and County reputation. • Service disruption and further unplanned revenue costs. 	<p>management.</p> <ul style="list-style-type: none"> • Effective project planning, monitoring and timely reporting. • Seek robust approach to contracting and project timescales.
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Children and Young Peoples Services

- **Attainment**

Risk	Potential Impact	Proposed Treatment
Failure to meet targets in Key Stage 3 and Key Stage 4 attainment and/or staying on into post-16 structured learning.	<ul style="list-style-type: none"> • Reduced contribution to economic and social regeneration of County) e.g failure to attract employers due to unavailability of an educated workforce and continued high levels of deprivation in long term. • Negative impacts on BVPI positions. 	<ul style="list-style-type: none"> • School Improvement Priorities detailed in Single • Education Plan (Priorities 1-7). • Local Public Service Agreement. • Family Learning / Education in the Community Initiatives. • Corporate approach to Building Schools for the Future. • Monitoring and Intervention for Improvement Procedures.
Schools opting to become foundation or trust schools, leading to an un-coordinated approach to school admissions and school improvement. (Ref. White Paper October 2005.)	<ul style="list-style-type: none"> • Diminished role for LEA in Service delivery – only as a commissioner; • Un-coordinated approach to School Improvement / school admissions etc; • More competition between schools / selection of pupils by some schools – reduced equality of access; • Loss of public assets to an independent body or corporation 	Continued lobbying at a strategic level including liaison with national bodies e.g. Local Government Association
Likelihood of quality of school buildings deteriorating quicker than we can afford to maintain them.	Condition and suitability of buildings / premises impair quality of teaching and/or standards of attainment.	<ul style="list-style-type: none"> • Capital Programme. • Development of BSF Proposals.
Deterioration in judgements in next Inspection of the LEA / APA / Joint Area Review.	<ul style="list-style-type: none"> • Reduced confidence in LEA by schools / parents / community / partners and corporately. • Potential for damaged relationships with schools and take-up of Service Level Agreements. • Negative impact on overall CPA status. 	Continue to adapt / evolve procedures to address amendments to published Judgement Recording Statements of Inspection Authorities (including advent of Joint Area Reviews).
Failure to promote access to and expand service delivery e.g vocational training	<ul style="list-style-type: none"> • Limited expansion of 14-19 Curriculum. • Fewer examples of collaborative/federated ventures. • Fewer opportunities for young people and impaired career prospects. • No improvement in Key Stage attainment. 	<ul style="list-style-type: none"> • All relevant activities within Key Stage 3 and Key Stage 4 SEP priority Plans. • Provision of guidance for schools which incorporates legal and practical considerations. • Expansion of Specialist School Programme.

- **Safeguarding**

Risk	Potential Impact	Proposed Treatment
Closure of Part of Secure Unit due to underutilisation.	<ul style="list-style-type: none"> • Staff redundancy and staff turnover • Loss of confidence in service leading to loss of placements. • Occupancy reduced to below viability for secure service. 	Ensure decision about future of service is based on sound market information and financial planning.
Reduction in Performance against CSCI, CPA ratings and duties to Safeguard.	<ul style="list-style-type: none"> • Reduced performance against performance indicators leading to loss of CSCI and CPA stars. • Negative press and reputational damage. • Loss of members confidence in management control. • Recruitment and retention problems. • staff suffer change fatigue. 	<ul style="list-style-type: none"> • Review current communication and engagement with staff and stakeholders for effectiveness. • Senior management engaged in communicating key performance messages to staff. • Prioritise change agenda. • Build in change capacity.
Cost of social care provision for children returning from out of county residential schools.	Financial impact for high cost care needs.	Tolerate risk.
Children and families experience a poor transition from Childrens Services into Adult Services.	<ul style="list-style-type: none"> • Young persons needs not identified before reaching 18. • Lack of time to commission specialist provision. • Inappropriate service delivered leading to increased risk to user and staff. • Dissatisfied families and service users. • Public protection risk if young person has history of offending or anti-social behaviour. • Service user failing to assess services needed to maintain well-being. • Unbudgeted financial risks transferred to adult teams. 	<ul style="list-style-type: none"> • Agreement of joint protocols between adult and children's service as part of MtF. • Joint working protocols with partner agencies to include PCT, YES and Connexions. • Transitions issues raised with CMT and Members. • Advocacy for young people with disabilities.
Failure of partnerships to deliver required performance benefits	<ul style="list-style-type: none"> • Decrease in performance of one or all partners. • Damage to relationships between partners. • Loss of confidence in LAA/LSP delivery. • Damage to reputation of DCC. • Loss of staff goodwill and confidence in management. 	<ul style="list-style-type: none"> • Register of all partnerships on service and corporate register. • Audit of partnerships against standards set by service and corporate frameworks. • Leadership Group to provide strategic direction during change.

Chief Executives Office

Risk	Potential Impact	Proposed Treatment
Potential reduction over the next two years of external funding which is used to fund Social and Economic Regeneration Projects in County Durham	<ul style="list-style-type: none"> • Money not available for new businesses. • Resources not available for County Council Services. • Funding not available for Community projects. 	<ul style="list-style-type: none"> • Lobbying Government Office North-East and One North-East for a better deal for Co. Durham • Participating in regional negotiations for new funding programmes • Researching new opportunities
Failure to implement effective partnership arrangements, such as the County Durham Strategic Partnership and the County Durham Economic Partnership.	<ul style="list-style-type: none"> • Damaged reputation. • Fail to meet statutory obligations.; • Difficulties in governance arrangements for the Local Area Agreement. 	<ul style="list-style-type: none"> • Review of CDSP. • Improved performance management arrangements.
Contact Centre not in place / access points not delivered	<ul style="list-style-type: none"> • Lack of improvement in citizens to access services. • Negative image of DCC and other parties. • Failure to achieve efficiencies / deliver potential savings. • Failure to deliver a priority of the Council. 	<ul style="list-style-type: none"> • Regular reporting through Core Team. • Budgetary provision.
Failure to improve service delivery	<ul style="list-style-type: none"> • Service delivery impeded. • Don't retain business in County. • Partnerships perceive a lack of commitment. 	Implementation and better use of Performance Plus.
Failure to develop policies to support / reflect national policy	<ul style="list-style-type: none"> • Reduction in Community Engagement. • Loss of support of Partners. • Loss of support of electorate. 	<ul style="list-style-type: none"> • Corporate framework for information management and knowledge. • Better link with CMT on key policy/strategy issues.

Customer Services

Risk	Potential Impact	Proposed Treatment
Breakdown in working relationships with third party IT provider on BSF programme	<ul style="list-style-type: none"> • ICT vision not met by IT provider • Financial cost if DCC need to find extra funding to meet extra costs of achieving ICT and Education vision • Charges incurred by IT provider may impact on the overall budget • Damaged reputation 	<ul style="list-style-type: none"> • Fill the vacant ICT Liaison Officer role • Ensure any ITT to potential bidders clearly reference the Ed • Robust agreements with LEP Private Sector Partner

	<ul style="list-style-type: none"> • Delays in completion of ICT work could lead to delays in completion of the school, and/ or disruption of IT service 	<ul style="list-style-type: none"> • Ensure ICT programme for BSF (within the overall BSF Programme)
Inadequate level of service delivery to end-users	<ul style="list-style-type: none"> • Performance of frontline services reduced • Additional costs of rework by users when service unavailable • Damaged reputation of Customer Services 	
Major interruption to IT service delivery	<ul style="list-style-type: none"> • Service to frontline services disrupted • Financial cost of lost productivity • Some critical services may not be deliverable within targets 	<ul style="list-style-type: none"> • New data centre (primary and backup site) planned • Improve business continuity arrangements
Adequate and effective IT strategy not in place	<ul style="list-style-type: none"> • IT service not effective. • Lack of direction. • Reputation suffers • Service delivery (of customers) is indirectly affected • Additional cost of procurement, integration, management. 	<ul style="list-style-type: none"> • Review/update IT Strategy regularly • Improve 2-way communication with customers (Key Managers) • Establish formal Strategy Team • Ensure strategy is effectively monitored
Relocation of the primary data centre	<ul style="list-style-type: none"> • Unavailability of service to customers • Damaged service reputation 	<ul style="list-style-type: none"> • Dry-run of relocating disaster recovery site will formulate • Ensure project plan is formalised and effectively monitored

Corporate Services

Risk	Potential Impact	Proposed Treatment
Failure to carry out and manage assessments of issues surrounding procurement	<ul style="list-style-type: none"> • Failure of project/operational activity. • Cost/programme overrun. • Poor contracts. 	<ul style="list-style-type: none"> • Embed culture • Cascade awareness • Implement risk template
Ineffective transport monitoring	<ul style="list-style-type: none"> • Loss of revenue. • Poor service standards. 	<ul style="list-style-type: none"> • Implement electronic monitoring of bus service EPOS data. • Use data from Real Time Information system.
Lack of a Corporate Training Programme for accessible vehicles	Risk of injury for clients not correctly secured or injury to drivers/escorts through incorrect handling.	<ul style="list-style-type: none"> • Combine training databases into a central unit. • Extend good practice to all areas.
Inability to attract and retain skilled staff in specific areas	<ul style="list-style-type: none"> • Temporary staff arrangements. • Unprofessional service. • Loss of effective procurement. 	<ul style="list-style-type: none"> • Continue to provide job satisfaction. • Review salary levels.
External influences on procurement strategies	<ul style="list-style-type: none"> • Failure to focus on DCC objectives. • Resources diverted. 	Tolerate risk

	• Failure to secure targeted cost reduction.	
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County Treasurers

Risk	Potential Impact	Proposed Treatment
Failure to achieve the target savings in the 2006/07 budget	<ul style="list-style-type: none"> • Service cut backs. • Uncontrolled expenditure. • Adverse publicity. 	Tolerate risk
Failure to achieve CPA use of resources level 3 and thus lose four-star status	<ul style="list-style-type: none"> • Reduced freedoms and flexibilities. • Loss of some grant funding. • Adverse publicity. 	Tolerate risk
Failure to set a budget within the statutory date	<ul style="list-style-type: none"> • No council tax revenue. • Government intervention. • Adverse publicity. • Uncontrolled Expenditure. • Poor investment decisions. 	Tolerate risk
Dual Responsibility arrangements do not deliver anticipated benefits	<ul style="list-style-type: none"> • Accounts not filed on time. • Budget not approved on time. • Budget variances uncontrolled. 	Tolerate risk
Failure to set a robust budget to manage the Authority's finances	<ul style="list-style-type: none"> • Poor allocation of resources. • Uncontrolled expenditure. • Adverse publicity. 	Tolerate risk

Environment

Risk	Potential Impact	Proposed Treatment
Failure to effectively implement the proposed Waste Management Contract	<ul style="list-style-type: none"> • Funds will be diverted from other Council budgets. • Extra funding from increased Council Tax. • Reputational damage. 	Effective leadership and management of the project
Lighting column collapse	<ul style="list-style-type: none"> • Road accident. • Personal injury or fatality. • Claim on Public Liability Insurance. • Health and Safety Executive investigation. • County Council and staff liable to Corporate Manslaughter charges. • Potential large costs in testing and replacing columns to meet HSE requirements.; • Statutory implications of cutting down lighting columns which fail strength test. 	<ul style="list-style-type: none"> • Prudential bid or other funding to replace vulnerable column. • Increase Street Lighting Budget to fund increased structural.
Failure to deliver Environmental Improvements to the Smaller Town & Village Centres identified in the Urban & Rural Renaissance Initiative cabinet report of June 2003 (appendix 1)	<ul style="list-style-type: none"> • Resentment from communities. • Disrepute to the County Council not being able to deliver what has been promised. 	<ul style="list-style-type: none"> • Investigate the availability for match funding. • Place new bids for capital resources from Cabinet. • Place new bids for staff resources from Cabinet.
Planning enforcement procedures not procedurally correct	<ul style="list-style-type: none"> • Legal challenge by aggrieved parties. • Quashing of Notices. • Bad publicity for County Council. • Costs associated with above. 	<ul style="list-style-type: none"> • Draft and issue county Council procedures. • Rigorous monitoring in line with government regulations.
Failure to deliver Environmental Improvements to the Major Centres & Rural Major Centres	<ul style="list-style-type: none"> • Resentment from communities. • Disrepute to the County Council not being able to deliver what has been promised. • Improvements to the target settlements agreed by the Local Strategic Partnerships (LSPs) will either not be achieved on time (ie by March 2008) or the extent of improvements will be reduced. 	<ul style="list-style-type: none"> • Investigate the availability for match funding. • Place new bids for capital resources from Cabinet. • Place new bids for staff resources from Cabinet. • Work closely with District Councils and the Sub-regional Partnership.

Service Direct

Risk	Potential Impact	Proposed Treatment
Relocation of Service Direct to Meadowfield	<ul style="list-style-type: none"> • Profitability of Service Direct adversely effected. • Service Delivery not achieved. • Retention of employees. • Cost of relocation and disruption to service will impact on profitability and service delivery. 	Tolerate risk.
Failure to plan for changes in legislation	<ul style="list-style-type: none"> • Expenditure rises disproportionately to income (budget) as a result of unfounded legislative changes e.g. employment rights, DDA, Libraries Act etc., • Increased overheads. • DLO ceases to exist. • Service delivery. 	Tolerate risk.
Reduction in core work load	<ul style="list-style-type: none"> • 95% of work is for DCC services. A reduction in the core workload from any service will impact the DLO's ability to function efficiently and profitably. • Reduction in workforce. • Increased overheads. • Reduced profitability. 	Seek to enhance existing business & develop new markets.
Inability to maintain profit levels and fund reserve	<ul style="list-style-type: none"> • Money not available in Council reserves for minimising Council Tax increase / putting into front line services. • Service Direct is subjected to outsourcing. 	Financial systems review with Service Direct Client and County Treasurer.
Uneven workflow pattern	<ul style="list-style-type: none"> • Financial costs of overtime / worker under utilization. • Client and contractor reputation to deliver to ' stakeholders'. • Quality of work due to time pressures. 	Continue to monitor progress of Alliance activity.