

## RISK MANAGEMENT STRATEGY AND STRATEGIC RISK REGISTER

### 1 Purpose

- 1.1 To present the updated Risk Management Strategy for consideration and agreement by Cabinet.
- 1.2 To brief Cabinet on the updated Strategic Risk Register and Risk Appetite Statement.

### 2 Recommendations/for decision

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| <ul style="list-style-type: none"><li>2.1 To review and agree the updated Risk Management Strategy Appendix 1 and Risk Appetite Statement Appendix 2</li><li>2.2 To review the Strategic Risk Register Appendix 3 and identify any issues for further consideration</li></ul> |
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### 3 Risk Management Strategy and Risk Appetite Statement- Supporting information

- 3.1 The risk management arrangements of the Council are a key part of the overall internal control arrangements of the Council and form part of the Annual Governance Statement.
- 3.2 The Council's risk management strategy was last updated in September 2013. A revised risk management strategy (appendix 1) has been produced to reflect changes in the Council's approach to risk and its changing risk appetite.
- 3.3 To help update the Council's Risk Management Strategy we needed to gain an insight to how we 'Think about Risk', particularly those risks associated with our emerging priorities.
- 3.4 We have held discussions with both Transition Board and Cabinet to better understand the risk appetite of the Council. This is now defined in a statement which will be reviewed and updated on an annual basis. See Appendix 2.

### 4 Strategic Risk Register - Supporting information

- 4.1 As part of its governance arrangements the council is required to manage risks effectively as highlighted in CIPFAs 'Good Governance in Local Government' document.
- 4.2 The Strategic Risk Register provides evidence of a risk aware and risk managed organisation. It reflects the risks that are on the current radar for transition board and are not dissimilar to those faced across other local authorities. The difference is how the risks are assessed and how they are being managed.
- 4.3 The strategic risk register was discussed by transition board on the 2<sup>nd</sup> September 2015 to review the ratings, establish how effectively the risks are being managed and where further action is required.
- 4.4 The matrix on page 1 shows a summary of the risks and how they have been rated. The ratings to assess the risks take into account the importance of the risk in terms of the impact it would have on the Council and also the confidence in managing the risk. The third dimension (size of bubble in





# Let's talk about Risk

## Our Risk Management Strategy



# Aylesbury Vale District Council

## Risk Management Strategy – Let's talk about Risk

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### Context

The council is at the forefront of developing new ways of working to meet the increasing financial challenges ahead and with this comes risk and uncertainty. Our focus on commerciality, the achievements of the New Business Model and digital transformation means that we need to change the way we are organised and the way we work to allow us to make the most of our opportunities and meet customer expectations.

Our approach needs to encourage and support well-managed risk taking where staff have the ability, skills and confidence to make decisions in an environment where certainty of outcomes cannot always be guaranteed. Staff need to engage in wider conversations with others to raise awareness and understanding of risk and to take on board different views.

### Risk Appetite

Part of the revised approach is to have a better understanding about the council's changing appetite for taking risks where there is a greater potential for a return but high uncertainty or where the preference is to be more cautious.

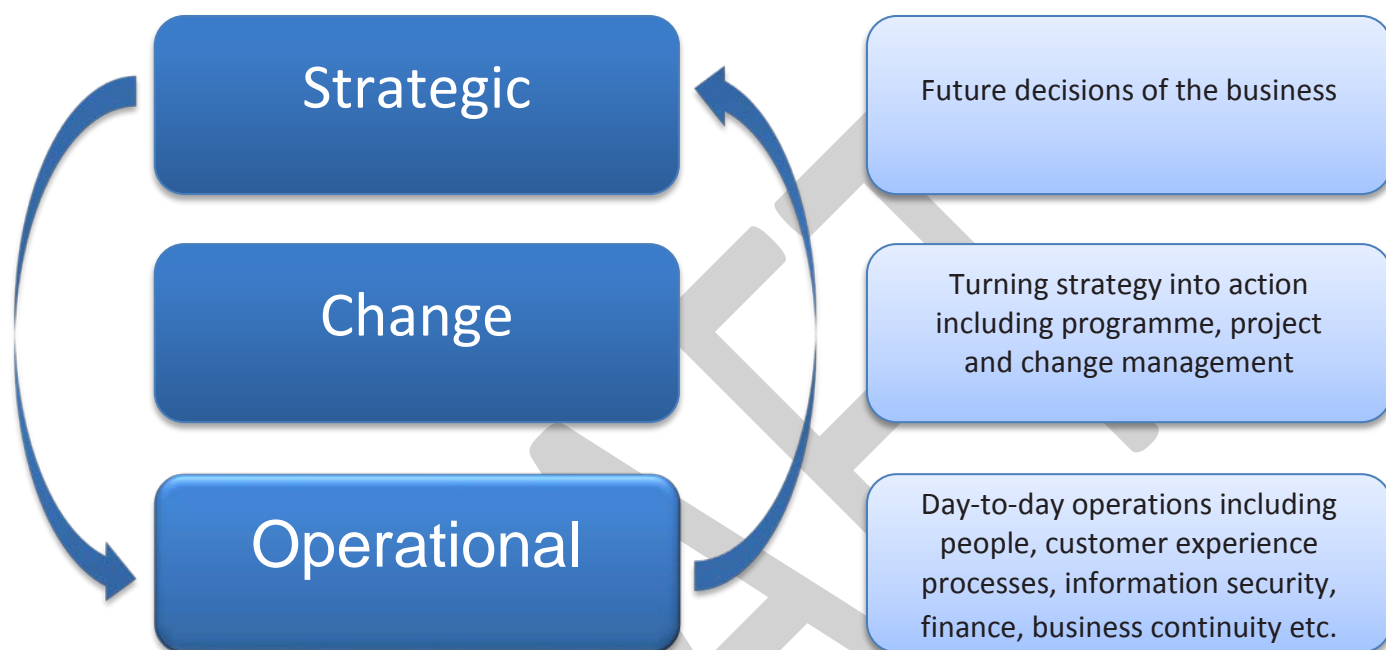
A framework has been adopted against which the broad direction of the council's appetite for risk can be defined as a guide for management and decision makers and this may change over time. See Appendix 1.

There isn't a one size fits all and each decision will still need to take into account the specific risks and opportunities. However by identifying where the risk appetite falls along the scale from "avoid" to "mature" it will set the context for developing options for any future changes or new services.

The risk appetite levels across the framework will be set by Cabinet and Transition Board and reviewed on an annual basis and reported with the Strategic Risk Profile.

## Our Approach to Risk Management

Our approach to risk management is proportionate to the decision being made or the impact of changes to service delivery/ strategies. Our risk management arrangements enable us to manage uncertainty in a systematic way at all levels of the council's business – see below.



A formal risk assessment – producing a risk register – is not required for everything we do. Risk registers are only required for:

- Strategic risks.
- Key projects and programmes.
- Complex New Business Model Initiatives.

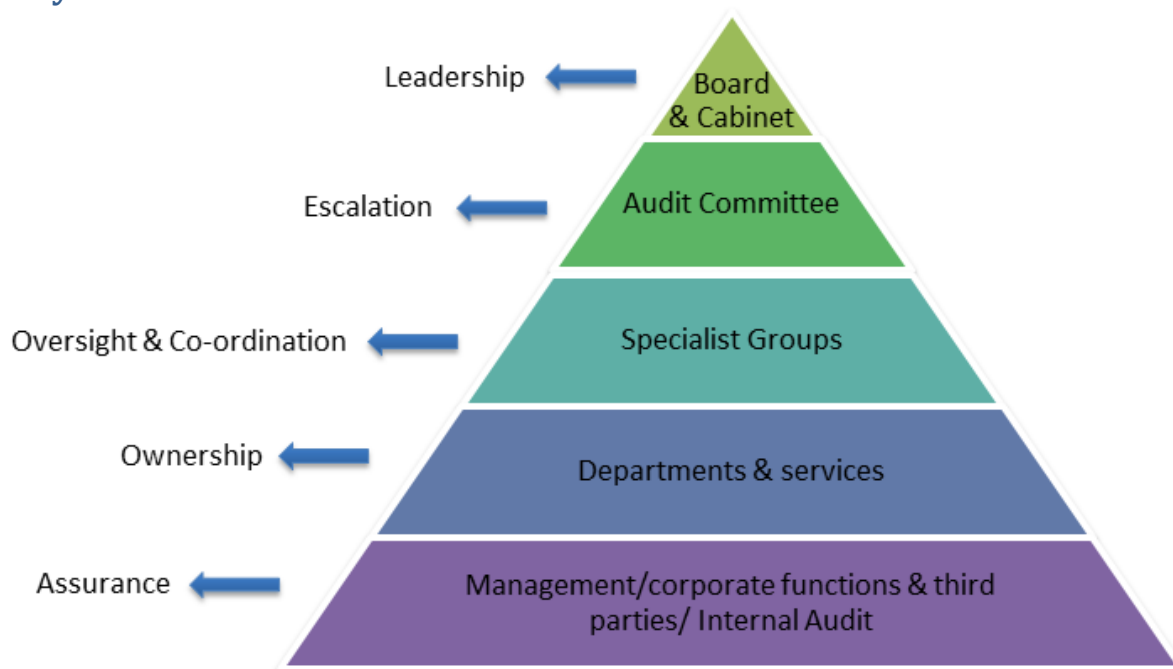
All key decisions presented to Cabinet must clearly show the key risks and opportunities associated with the decision (recommendations), the potential impact and how these will be managed. This helps promote informed decision making, particularly in an environment of uncertainty and change.

A risk calculator must be completed for all projects to help identify areas of high risk. The calculator gives each project a risk score; high, medium or low. This calculator is revisited at regular intervals during the life of the project.

All services are required to complete a service risk assurance check each year. This considers key compliance risks as well as service specific risks. The check reflects the level of risk for each service

against key areas. This in turn helps determine where further information is required on how specific risks are being managed.

## Key Roles

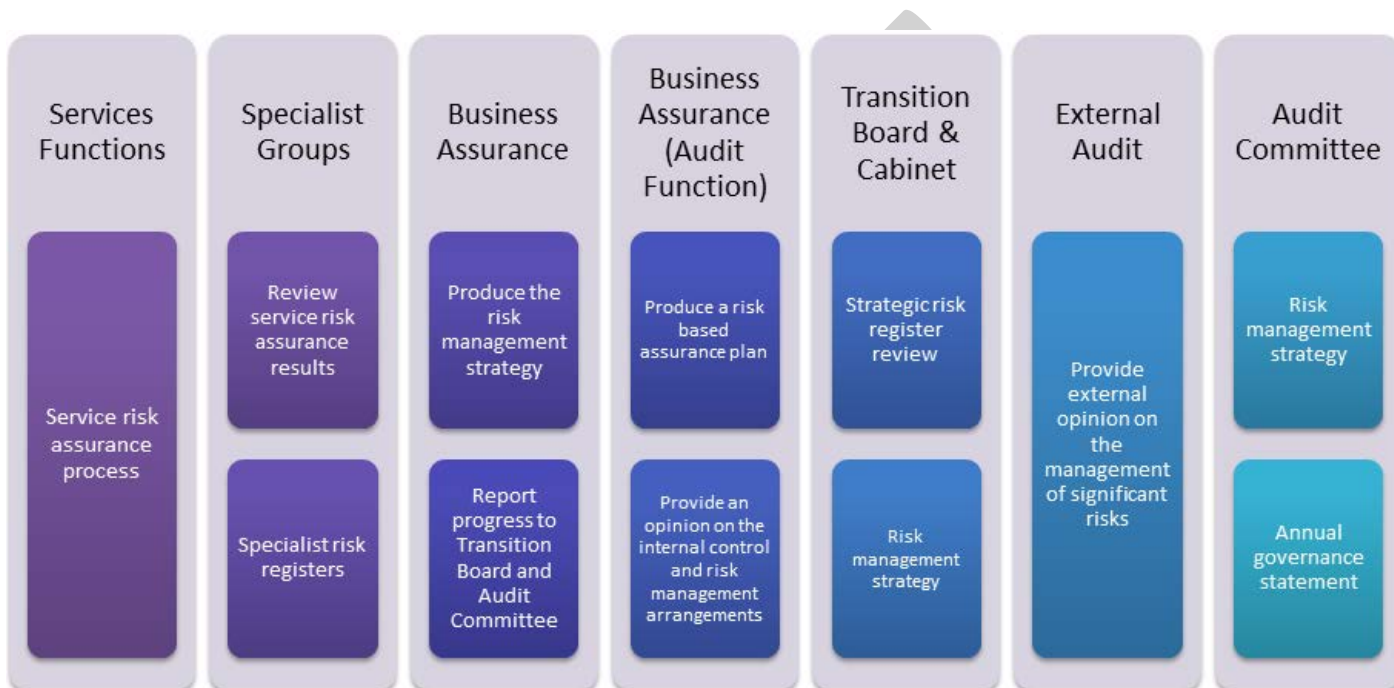


Within this structure, each party has the following key roles:

- The Transition Board and Cabinet, on the top of the pyramid, has the ultimate accountability for the risk and related control environment, and is responsible for approving and reviewing risk policies and setting the level of risk the council is prepared to accept - its 'risk appetite'.
- The Audit Committee is responsible for overseeing the effectiveness of the council's risk management arrangements, challenging risk information and escalating issues to the board/Cabinet;
- The Specialist Groups (some of which are a statutory requirement) are responsible for the facilitation and co-ordination of risk management activity in their specialist area across the council;
- Departments and services are responsible for identifying, assessing, measuring, monitoring and reporting significant risks associated with their functions or activities;
- Management, third parties and Internal Audit give assurance on the management of risks and the operation/performance of controls.

## Risk Management Assurance

The assurance arrangements for the Council are identified in the diagram below. These arrangements cover all levels of the organisation including strategic leaders and members to ensure risk information can be escalated and used as an effective tool to aid decision making. The provision of good risk intelligence promotes discussion, encourages challenge and enables us to consider risks and opportunities as an integrated part of the management of the Council.



## Appendix 1 – Risk Appetite Matrix

Risk levels	0	1	2	3	4	5
Key elements	<b>Avoid</b> Avoidance of risk and uncertainty is a Key Organisational objective	<b>Minimal</b> (as little as reasonably possible) Preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential	<b>Cautious Preference</b> For safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.	<b>Open</b> Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)	<b>Seek</b> Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).	<b>Mature</b> Confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust
<b>Financial/VfM</b>	Avoidance of financial loss is a key objective. We are only willing to accept the low cost option as VfM is the primary concern.	Only prepared to accept the possibility of very limited financial loss if essential. VfM is the primary concern.	Prepared to accept possibility of some limited financial loss. VfM still the primary concern but willing to consider other benefits or constraints. Resources generally restricted to existing commitments.	Prepared to invest for return and minimise the possibility of financial loss by managing the risks to a tolerable level. Value and benefits considered (not just cheapest price). Resources allocated in order to capitalise on opportunities.	Investing for the best possible return and accept the possibility of financial loss (with controls may in place). Resources allocated without firm guarantee of return – ‘Investment capital’ type approach.	Consistently focused on the best possible return for stakeholders. Resources allocated in ‘social capital’ with confidence that process is a return in itself.
<b>Compliance/regulatory</b>	Play safe; avoid anything which could be challenged, even unsuccessfully.	Want to be very sure we would win any challenge. Similar situations elsewhere have not breached compliances.	Limited tolerance for sticking our neck out. Want to be reasonably sure we would win any challenge.	Challenge would be problematic but we are likely to win it and the gain will outweigh the adverse	Chances of losing any challenge are real and consequences would be significant. A win would be a great coup.	Consistently pushing back on regulatory burden. Front foot approach informs better regulation.
<b>Innovation/Quality/Outcomes</b>	Defensive approach to objectives – aim to maintain or protect, rather than to create or innovate. Priority for tight management controls and oversight with limited devolved decision taking authority. General avoidance of systems/technology developments.	Innovations always avoided unless essential or commonplace elsewhere. Decision making authority held by senior management. Only essential systems / technology developments to protect current operations.	Tendency to stick to the status quo, innovations in practice avoided unless really necessary. Decision making authority generally held by senior management. Systems / technology developments limited to improvements to protection of current operations.	Innovation supported, with demonstration of commensurate improvements in management control. Systems / technology developments used routinely to enable operational delivery. Responsibility for non-critical decisions may be devolved.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. New technologies viewed as a key enabler of operational delivery. High levels of delegated authority – management by trust rather than tight control.	Innovation the priority – consistently ‘breaking the mould’ and challenging current working practices. Investment in new technologies as catalyst for operational delivery. Devolved authority – management by trust rather than tight control is standard practice.
<b>Reputation</b>	No tolerance for any decisions that could lead to scrutiny of, or indeed attention to, the organisation. External interest in the organisation viewed with concern.	Tolerance for risk taking limited to those events where there is no chance of any significant repercussion for the organisation. Senior management distance themselves from chance of exposure to attention.	Tolerance for risk taking limited to those events where there is little chance of any significant repercussion for the organisation should there be a failure. Mitigations in place for any undue interest.	Appetite to take decisions with potential to expose the organisation to additional scrutiny/interest. Prospective management of organisation’s reputation.	Willingness to take decisions that are likely to bring scrutiny of the organisation but where potential benefits outweigh the risks. New ideas seen as potentially enhancing reputation of organisation.	Track record and investment in communications has built confidence by public, press and politicians that organisation will take the difficult decisions for the right reasons with benefits outweighing the risks.
<b>RISK APPETITE</b>	<b>NONE</b>		<b>LOW</b>	<b>MODERATE</b>	<b>HIGH</b>	<b>SIGNIFICANT</b>



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# Risk Appetite Statement

Aylesbury Vale District Council's risk appetite statement is creative and risk aware;

***'The council wishes to be creative and open to consider all potential delivery options with well measured risk taking whilst being aware of the impact of its key decisions'***

Our aim is to have a better understanding about the council's changing appetite for taking risks where there is a greater potential for a return but high uncertainty or where the preference is to be more cautious.

A framework has been adopted against which the broad direction of the council's appetite for risk can be defined as a guide for management and decision makers and this may change over time.

There isn't a one size fits all and each decision will still need to take into account the specific risks and opportunities. However by identifying where the risk appetite falls along the scale from "avoid" to "mature" it will set the context for developing options for any future changes or new services.

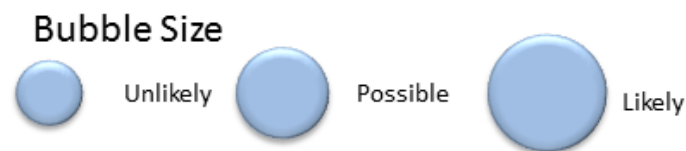
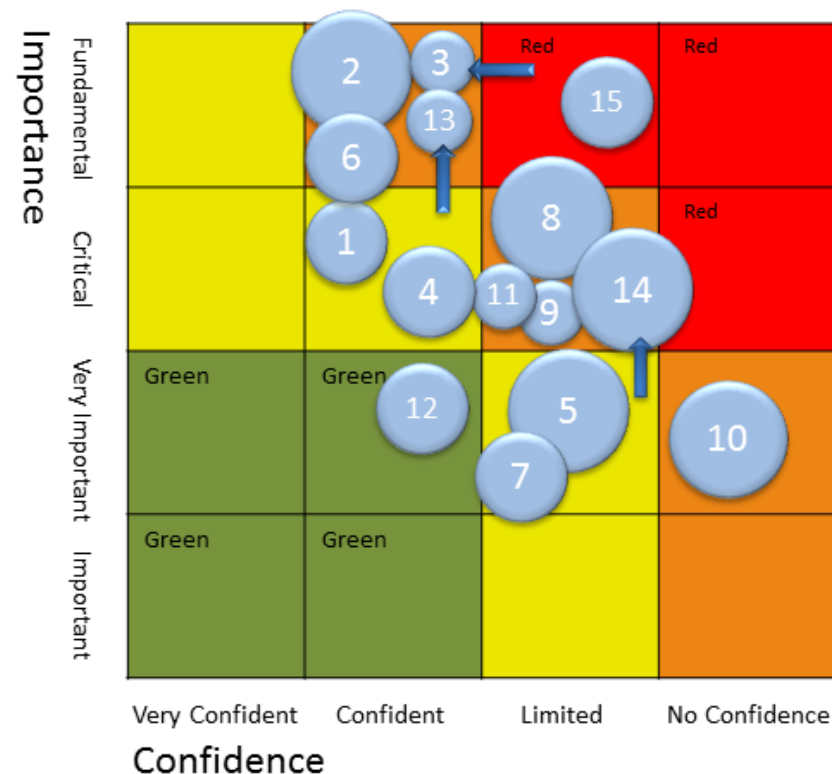
The risk appetite levels across the framework are set by Cabinet and Transition Board and reviewed on an annual basis.

The Risk Appetite for 2015/16 is set out below.

Risk levels Key elements	3 Open Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)	4 Seek Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).
Financial/VFM	Prepared to invest for return and minimise the possibility of financial loss by managing the risks to a tolerable level. Value and benefits considered (not just cheapest price). Resources allocated in order to capitalise on opportunities.	
Compliance/regulatory	Challenge would be problematic but we are likely to win it and the gain will outweigh the adverse consequences.	
Innovation/Quality/Outcomes		Innovation pursued – desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational delivery. High levels of delegated authority – management by trust rather than tight control.
Reputation		Willingness to take decisions that are likely to bring scrutiny of the organisation but where potential benefits outweigh the risks. New ideas seen as potentially enhancing reputation of organisation.
<b>RISK APPETITE</b>	<b>HIGH</b>	<b>SIGNIFICANT</b>

# Strategic Risks Summary – September 2015

Ref	Area of Risk
<a href="#">1</a>	New models of service delivery may not achieve savings
<a href="#">2</a>	Ability to meet future savings requirements
<a href="#">3</a>	Future Organisational capacity/resilience
<a href="#">4</a>	Change management – staff ability to deal with change, loss of key talent
<a href="#">5</a>	AVE not meet financial targets
<a href="#">6</a>	Delivery of new Vale of Aylesbury Local Plan (Housing Growth uncertainties)
<a href="#">7</a>	Information Governance, breach of data protection
<a href="#">8</a>	Infrastructure funding shortage
<a href="#">9</a>	Safeguarding Duties
<a href="#">10</a>	New homes bonus - Government ending scheme
<a href="#">11</a>	Major capital projects
<a href="#">12</a>	Cloud based technology solutions do not meet complex service change requirements
<a href="#">13</a>	Resilience (business continuity)
<a href="#">14</a>	Occupational Health and Safety
<a href="#">15</a>	Ability to orchestrate our growth ambitions/plans <span style="float: right;">*NEW*</span>



Likelihood of risk increasing in next 12 months

<b>Risk to manage</b>	New models of service delivery may not achieve savings	<b>1</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Officers &amp; Members resolution to implement changes</li> <li>• Legal issues relating to trading companies etc.</li> <li>• Institutional resistance to change</li> <li>• Ability to communicate to the wider organisation</li> <li>• Capacity &amp; capability to implement and deliver change.</li> </ul>	

<b>Criteria</b>	Confidence in Ability to manage	Importance	Likelihood of Risk Increasing in next 12 months
<b>Score</b>	3 Confident	3 Critical	2 Possible

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>• Budget monitoring, if we deliver the savings this is assurance that the NBM is working.</li> <li>• New transition board</li> <li>• Assessment centre for senior managers</li> <li>• Lack of complaints</li> </ul>
<b>Gaps in Assurance</b>	
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>• Issues with staff engagement</li> <li>• Complaints</li> <li>• Union/staff side engagement</li> </ul>
<b>Further Action required</b>	<ul style="list-style-type: none"> <li>• Lots of tough decisions.</li> <li>• Honest conversation with the public, staff and wider members about what we can afford to do in the future.</li> <li>• Review resources to implement.</li> </ul>

<b>Risk to manage</b>	<b>Ability to meet future savings requirements</b>	<b>2</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Continual identification of new savings</li> <li>• Reconciling savings with politics</li> <li>• Keeping staff focussed and on board</li> <li>• Managing customer expectations.</li> <li>• Uncertainty around the Autumn Statement</li> </ul>	

<b>Criteria</b>	Confidence in Ability to manage	Importance	Likelihood of Risk Increasing in next 12 months
<b>Score</b>	3 Confident	4 Fundamental	3 Likely

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>• Figures reported as part of corporate scorecard</li> <li>• NBM – keeping focus on the strategy, tracking smartsheet.</li> <li>• Financial planning process</li> <li>• Departments have been given individual savings targets.</li> <li>• Performance monitored through budget setting and monitoring.</li> <li>• Clear about what savings need to be made.</li> <li>• New Transition Board</li> <li>• Focus on commercial vehicle</li> </ul>
<b>Gaps in Assurance</b>	<ul style="list-style-type: none"> <li>• Political Appetite</li> <li>• Public Opinion - charging for or stopping services</li> </ul>
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>• Corporate Scorecard</li> <li>• NBM Smart sheet</li> <li>• NBM Board</li> </ul>
<b>Further Action required</b>	<ul style="list-style-type: none"> <li>• Deliver savings</li> <li>• Business Case for Unitary</li> </ul>

<b>Risk to manage</b>	<b>Future organisational capacity/resilience</b> – fast pace and scale of change results in a de-motivated, disengaged and poor performing workforce which impacts on the council's ability to meet the financial challenges ahead.	<b>3</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Sustainable pace of change</li> <li>• Shaping services to meet future needs</li> <li>• Clear vision of what is needed</li> <li>• Dealing with staff unwilling to change, although this is improving</li> <li>• Fill capacity needs, spend more in the short term to back fill posts and get to answer sooner.</li> </ul>	

<b>Criteria</b>	<b>Confidence in Ability to manage</b>	<b>Importance</b>	<b>Likelihood of Risk Increasing in next 12 months</b>
<b>Score</b>	3 Confident	4 Fundamental	1 Unlikely

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>• Investment in talent management processes, training and flexible working to develop and retain talented staff</li> <li>• Graduate talent programme</li> <li>• NBM work around service redesign/reviews</li> <li>• Assessment Centre, insight into strengths of individuals</li> <li>• Getting good external advice from private sector.</li> <li>• More confident in own abilities</li> <li>• Transition Board – people at forefront of change in their own area.</li> </ul>
<b>Gaps in Assurance</b>	<ul style="list-style-type: none"> <li>• External support/lack of understanding in sector.</li> <li>• Uncertainty about devolution, unitary and joint working</li> </ul>
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>• Loss of movers and shakers</li> <li>• Increased complaints</li> <li>• Pilots for commercial ventures don't make returns.</li> <li>• Savings targets not met.</li> <li>• Pace decreases</li> <li>• Relationships/mutual aid goes.</li> </ul>
<b>Further Action required</b>	<ul style="list-style-type: none"> <li>• Continued development of People strategy/engagement strategy</li> <li>• Review of T&amp;C's &amp; ATR</li> <li>• Changes to managers group</li> <li>• Roll out of assessment centre</li> <li>• Clearer communication</li> </ul>

<b>Risk to manage</b>	<b>Change Management</b> – Staff ability to deal with change.	<b>4</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>Continually getting message to staff of need to change.</li> <li>Staff recognise need to change</li> <li>Making sure staff are fully engaged in changes to service delivery</li> </ul>	

<b>Criteria</b>	Confidence in Ability to manage	Importance	Likelihood of Risk Increasing in next 12 months
<b>Score</b>	3 Confident	3 Critical	2 Possible

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>Let's get talking / NBM Champions / World Cafe</li> <li>Staff Consultative Committee.</li> <li>Cabinet Members engage with staff.</li> </ul>
<b>Gaps in Assurance</b>	<ul style="list-style-type: none"> <li>Assuring consistent application of change management.</li> </ul>
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>Feedback from staff.</li> <li>Sickness rates/HSE Management Standards</li> <li>Turnover</li> <li>Increase in undesirable incidents</li> </ul>
<b>Further Action required</b>	<ul style="list-style-type: none"> <li>Review HR Policies</li> <li>Review ATR</li> </ul>

<b>Risk to manage</b>	<b>Partnership Working</b> - AVE does not meet financial targets	<b>5</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Lease breaks or expiries in the next two years for a number of major tenants.</li> <li>• Satisfaction of existing tenants.</li> <li>• National economic conditions.</li> <li>• Legislative changes to Business Rates.</li> <li>• Performance of AVE as a vehicle</li> <li>• Support for vehicle at Board level.</li> </ul>	

<b>Criteria</b>	<b>Confidence in Ability to manage</b>	<b>Importance</b>	<b>Likelihood of Risk Increasing in next 12 months</b>
<b>Score</b>	2 Limited	2 Very Important	3 likely

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>• Business planning process</li> <li>• On-going monitoring and monthly meetings</li> <li>• Partnership review</li> <li>• Scrutiny investigate relationships e.g. AVE business Plan</li> <li>• Partnership Governance</li> </ul>
<b>Gaps in Assurance</b>	
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>• Monthly monitoring reports</li> <li>• Cash flow</li> <li>• Business Plans</li> <li>• Performance against targets</li> </ul>
<b>Further Action required</b>	



<b>Risk to manage</b>	<b>Delivery of new Vale of Aylesbury Local Plan (VALP)</b> <ul style="list-style-type: none"> <li>• Not being delivered on time</li> <li>• Being rejected again</li> <li>• Housing growth uncertainties</li> <li>• Duty to co-operate – dependency and inter-relationships</li> <li>• Conflicting data (e.g. HEDNA – different consultants using different methodologies)</li> </ul>	<b>6</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Changes to government policy</li> <li>• Political context</li> <li>• Lack of engagement from partners</li> </ul>	

<b>Criteria</b>	<b>Confidence in Ability to manage</b>	<b>Importance</b>	<b>Likelihood of Risk Increasing in next 12 months</b>
<b>Score</b>	3 Confident	4 Fundamental	2 Possible

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>• Making sure we are adequately resourced</li> <li>• We are tuned into any changes that are likely and have thought about how we might respond.</li> <li>• Support being provided by the Planning Officers Society.</li> <li>• Taken Advice from Planning Inspectorate</li> <li>• Work through the Bucks Planning Officers Group</li> </ul>
<b>Gaps in Assurance</b>	
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>• Keeping close to Government policy changes</li> <li>• Keep tuned into what is happening in our neighbouring authorities.</li> <li>• Keep an eye on the London Plan and what this might mean for us in terms of overspill.</li> </ul>
<b>Further Action required</b>	<ul style="list-style-type: none"> <li>• Political Interface – Leader talking to national politicians.</li> <li>• Keep outcomes of appeals under review.</li> <li>• Locally assessed need figure due September.</li> <li>• Ensuring we are doing enough to take all members with us.</li> </ul>

<b>Risk to manage</b>	<b>Information Governance, breach of data protection.</b>	<b>7</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Making sure staff understand how to reduce risk of data protection breaches</li> <li>• Technology as move to the cloud, need to ensure new technology will help with data security e.g. Office 365 stops mass mailings.</li> <li>• Despite all the training and awareness mistakes can still be made where there is potential for human error</li> <li>• Restructures have resulted in changes to managers and some may not be fully aware the risks in their areas</li> <li>• Increase in non-technical issues i.e. paper documents being sent to the wrong person.</li> </ul>	

<b>Criteria</b>	<b>Confidence in Ability to manage</b>	<b>Importance</b>	<b>Likelihood of Risk Increasing in next 12 months</b>
<b>Score</b>	2 Limited	2 Very Important	2 Possible

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>• IGG looks at ways to reduce likelihood of risks occurring, has its own action plan.</li> <li>• Mandatory training.</li> <li>• Business Assurance has undertaken RAG assessment of risk.</li> <li>• Investigations into data breaches.</li> </ul>
<b>Gaps in Assurance</b>	<ul style="list-style-type: none"> <li>• Don't know how effective some mitigation is being. E.g. data breaches by people who have completed the training.</li> </ul>
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>• Data breaches recorded by IT</li> <li>• Number and type of incidents – indicate underlying problems that still need to be addressed.</li> </ul>
<b>Further Action required</b>	<ul style="list-style-type: none"> <li>• See IGG action plan.</li> </ul>

<b>Risk to manage</b>	<b>Infrastructure funding shortage</b>	<b>8</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Two LEPs</li> <li>• Lack of funding available for LEPs</li> <li>• Uncertainty of having to bid for funding</li> <li>• Lack of Local Plan</li> <li>• Competing with others with different demands</li> <li>• Financial pressures on developers mean they are less likely to contribute.</li> <li>• Dependent on County Council</li> <li>• Tri-county Alliance</li> <li>• Lack of Infrastructure plan.</li> </ul>	

<b>Criteria</b>	<b>Confidence in Ability to manage</b>	<b>Importance</b>	<b>Likelihood of Risk Increasing in next 12 months</b>
<b>Score</b>	2 Limited	3 Critical	3 Likely

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>• Leader is a member of one Board; deputy leader is a member of the other board.</li> <li>• As housing growth is high up on Government agenda and we are a key area for housing growth, we should get funding.</li> <li>• £3.7m funding received from SEMLEP for public realm</li> </ul>
<b>Gaps in Assurance</b>	<ul style="list-style-type: none"> <li>• Lack of shared infrastructure planning.</li> <li>• Government position on tri-county alliance, devolution etc.</li> </ul>
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>• Look to see if we get speculative planning applications.</li> <li>• Announcement of spending review and allocation of funding to LEPs.</li> </ul>
<b>Further Action required</b>	<ul style="list-style-type: none"> <li>• Development of CIL (linked to VALP) – If not CIL we could potentially be losing money once S106 agreements expire in 2016.</li> <li>• Have developed infrastructure plan to be discussed at Bucks LEP in December 2015.</li> </ul>

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<b>Risk to manage</b>	<b>Safeguarding Duties</b> <ul style="list-style-type: none"> <li>An individual /community suffers as a result of our action/inaction</li> <li>Poor review as part of Section 11 Audit.</li> </ul>	<b>9</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>Not enough resources</li> <li>Recent inspection of county, putting pressure on partners to do more.</li> <li>Ensuring staff are aware of and understand safeguarding responsibilities</li> <li>Responsibilities in meeting audit requirement</li> <li>Delivery of training</li> <li>Leadership, Transition Board taking lead and recognising it's everyone's responsibility</li> <li>New Prevent Duty from July 1<sup>st</sup> 2015</li> </ul>	

<b>Criteria</b>	Confidence in Ability to manage	Importance	Likelihood of Risk Increasing in next 12 months
<b>Score</b>	2 Limited	3 Critical	1 Unlikely

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>Internal AVDC safeguarding board</li> <li>Use Ofsted self reporting template/ RAG framework (S11)</li> <li>Meeting with Chair of Bucks safeguarding board – questions asked about current safeguarding arrangement and recommendations made.</li> <li>Community Safety Partnership (Prevent)</li> </ul>
<b>Gaps in Assurance</b>	<ul style="list-style-type: none"> <li>Lack of Prevent Training</li> <li>Lack of training Audit</li> <li>Lack of Prevent risk assessment and action plan.</li> </ul>
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>Issues raised at safeguarding board – concerns over compliance</li> </ul>
<b>Further Action</b>	<ul style="list-style-type: none"> <li>Identify short-term resource to develop training audit &amp; develop S11 response</li> </ul>

<b>required</b>	<ul style="list-style-type: none"> <li>Prevent risk assessment and action plan to be developed</li> </ul>
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<b>Risk to manage</b>	<b>New homes bonus</b> <ul style="list-style-type: none"> <li>Government ending scheme</li> </ul>	<b>10</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>Government Policy so no control over this.</li> </ul>	

<b>Criteria</b>	Confidence in Ability to manage	Importance	Likelihood of Risk Increasing in next 12 months
<b>Score</b>	1 No Confidence	2 Very Important	3 Likely

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>Processes in place to minimise empty properties and maximise use of new properties.</li> <li>Not committing expenditure of NHB until money is in the bank.</li> </ul>
<b>Gaps in Assurance</b>	
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>Monitoring Government policy changes.</li> <li>Looking for information from Minister speeches and in the media.</li> </ul>
<b>Further Action required</b>	

<b>Risk to manage</b>	<b>Major capital projects</b> do not deliver the expected benefits and result in budget overspends placing pressure on revenue and medium term financial plans	<b>11</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• In-house skills to manage complex projects (e.g. Waterside North)</li> <li>• Level of uncertainty in some projects makes it more difficult to predict benefits</li> <li>• Managing tenants expectations</li> </ul>	

<b>Criteria</b>	<b>Confidence in Ability to manage</b>	<b>Importance</b>	<b>Likelihood of Risk Increasing in next 12 months</b>
<b>Score</b>	2 Limited	3 Critical	1 Unlikely

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>• Major Capital Projects Group and member/officer group – Highlight reports, challenge from legal, finance and risk</li> <li>• Business Assurance Reviews</li> <li>• Project Officer Group – improving process and ensuring consistency (early days)</li> <li>• Use of external project managers.</li> </ul>
<b>Gaps in Assurance</b>	<ul style="list-style-type: none"> <li>• Business Case approach not consistently implemented</li> <li>• Third Party confidence/experience to deliver projects in partnership</li> </ul>
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>• Tender for work higher than budget</li> <li>• Highlight changes</li> <li>• Financial monitoring</li> </ul>
<b>Further Action required</b>	<ul style="list-style-type: none"> <li>• Better Business Case training for senior management – interpretation and delivery</li> </ul>

<b>Risk to manage</b>	<b>Cloud based technology solutions</b> reduce risk of major disruption but increase dependency on third party for minor business interruptions which increases impact on service provision	<b>12</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>Ensuring the network is reliable</li> <li>Ensuring the network is scalable to future AVDC needs.</li> </ul>	

<b>Criteria</b>	Confidence in Ability to manage	Importance	Likelihood of Risk Increasing in next 12 months
<b>Score</b>	3 Confident	2 Very Important	2 Possible

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>AVDC Network services are provided by Udata who are a subsidiary of Capita one of the largest providers of IT services in the UK.</li> <li>The AVDC external network is fully resilient with duplication of all key components far in excess of anything that AVDC could reasonably provide.</li> <li>There is a guaranteed contractual Service Level Agreement backed by penalties and performance is reviewed by AVDC and Udata at regular Account Management meetings.</li> <li>An escalation process is in place for escalation of issue management to the highest levels of the Udata/Capita organisation and this process is used by AVDC where necessary.</li> <li>The supplier can, and does, field large teams of experts to deal with any serious issues.</li> <li>AVDC has in place a completely independent Internet link through its Public Wireless network provided by an alternative supplier using completely independent links to the Internet from those provided by Udata.</li> </ul>
<b>Gaps in Assurance</b>	<ul style="list-style-type: none"> <li>The network provider Udata has failed to meet the SLA in late 2014/early 2015 – now on target</li> <li>In the unlikely event of supplier complete failure AVDC may lose network connectivity.</li> </ul>
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>Network performance monitoring shows failure of supplier to meet SLA</li> </ul>
<b>Further Action required</b>	<ul style="list-style-type: none"> <li>Ongoing monitoring of the supplier performance</li> </ul>

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<b>Risk to manage</b>	<b>Resilience</b> - Ability of the business to survive and respond during an internal external emergency and manage its risks due to a significant loss of key buildings staff, finance or customers.	<b>13</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Ensuring that a plan is in place and that the plan is regularly exercised</li> <li>• Raised expectations in the community due to political pressure following flooding of 2014</li> <li>• Servicing maintaining plans and plans being critically reviewed</li> <li>• Fewer trained staff</li> <li>• Positive continued engagement with Thames Valley Local Resilience Forum and sub groups</li> <li>• More single points of failure</li> <li>• Unitary</li> <li>• Resilience to changes in financial supplies</li> <li>• Problems with loss of key suppliers</li> <li>• Engagement and relations with other organisations</li> </ul>	

Criteria	Confidence in Ability to manage	Importance	Likelihood of Risk Increasing in next 12 months
<b>Score</b>	3 Confident	4 Fundamental	1 Unlikely

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>• Support within Bucks Resilience forum</li> <li>• Silverstone working group</li> <li>• Increased use of cloud technology, less paper documents – but creates risks if major internet problem.</li> <li>• Service continuity plans</li> <li>• Testing and exercising of corporate plans covering Emergency Planning and Business Continuity</li> </ul>
<b>Gaps in Assurance</b>	<ul style="list-style-type: none"> <li>• Staff on plan have not received training</li> <li>• Significance of large amount of single points of failure</li> <li>• Fewer staff = less strength to manage response and recovery.</li> </ul>
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>• Lack of training and exercising</li> <li>• Lack of time to critically review service continuity plan</li> <li>• Staff leaving</li> <li>• Insufficient time to work with LRF</li> </ul>
<b>Further Action</b>	<ul style="list-style-type: none"> <li>• Further exercising of staff on the plan covering a wider range of events</li> </ul>



<b>required</b>	<ul style="list-style-type: none"> <li>• Development of training scenarios through external partners.</li> <li>• Use and development of cloud technology into resilience issues</li> <li>• Review of contractors and suppliers BC arrangements.</li> </ul>	
<b>Risk to manage</b>	<b>Occupational Health, Safety and Wellbeing</b> Failure to have a robust management system in place which results in a fatality, serious injury or ill health.	<b>14</b>
<b>Key challenges</b>	<ul style="list-style-type: none"> <li>• Inspection and management of property portfolio and contracted out services/activities</li> <li>• Better use of Occupational Health and other techniques to manage effects of work related ill health and public expectation following tragedy in Glasgow during 2014</li> <li>• Enforcement action from the HSE &amp; increased sentencing powers, increased use of jail sentences for individuals.</li> <li>• Ensuring continued H, S &amp; W leadership.</li> <li>• CDM &amp; Major Projects ensure buildings are built to enable them to be safely maintained &amp; managed in the future.</li> </ul>	

<b>Criteria</b>	Confidence in Ability to manage	Importance	Likelihood of Risk Increasing in next 12 months
<b>Score</b>	2 Limited	3 Critical	3 Likely

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>• Development &amp; review of H&amp;S arrangements</li> <li>• Review of Waste &amp; Recycling risk assessment process &amp; safe systems of work. Action plan following JCB accident.</li> <li>• Use of an holistic plan-do-check-act process</li> <li>• Management Standards survey</li> <li>• Waste &amp; Recycling body mapping to prevent MSD ill health</li> <li>• Engagement with Health, Safety and Wellbeing Committee and Strategic Occupational Health and Safety Forum</li> </ul>
<b>Gaps in Assurance</b>	<ul style="list-style-type: none"> <li>• Limited policing and monitoring of targets</li> <li>• Policies</li> <li>• No external audit / gap analysis</li> </ul>
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>• Performance targets – Accident &amp; ill health statistics</li> <li>• HSE audit of waste expected 2015/16</li> <li>• Outcomes from accident investigation reports</li> </ul>
<b>Further Action required</b>	<ul style="list-style-type: none"> <li>• Management system to be re-developed (consideration of incorporating Quality and Environment so that staff have one integrated thought out process)</li> <li>• Resource to develop the above</li> <li>• Identification &amp; management of presenteeism / conflict with absence management.</li> </ul>

	<ul style="list-style-type: none"> <li>• Audit of new system of H&amp;S arrangements</li> <li>• Further H&amp;S training of staff</li> <li>• Development of H, S &amp; W Strategy</li> </ul>
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<b>Risk to manage</b>	<b>Ability to orchestrate our growth ambitions/plans</b>	<b>15</b>
<b>Key challenges</b>		

<b>Criteria</b>	Confidence in Ability to manage	Importance	Likelihood of Risk Increasing in next 12 months
<b>Score</b>	2 Limited	4 Fundamental	2 Possible

<b>Sources of Assurance</b>	<ul style="list-style-type: none"> <li>• Government Direction</li> <li>• LEP pushing for consensus</li> <li>• Local Housing Needs</li> <li>• Local plan gives confidence to members</li> </ul>
<b>Gaps in Assurance</b>	
<b>Early Warning Signs (Measures)</b>	<ul style="list-style-type: none"> <li>• Failure to agree fundamental plans</li> <li>• Missing Government deadlines</li> <li>• Lack of Strategy</li> <li>• Lack of cooperation</li> <li>• Responses to consultation not received by deadlines</li> </ul>
<b>Further Action required</b>	<ul style="list-style-type: none"> <li>• Rapid Agreement</li> </ul>