

# Strategic Risk Report

Quarter 1, 2012

Consequences	Inherent Probability	Inherent Impact	Inherent Risk Score	Controls	Residual Probability	Residual Impact	Residual Risk Score	Assurance
<b>Financial Risks</b>								
F1 - Resource base affected by slow recovery from recession resulting in lack of funds to deliver on commitments & policies								
Risk Owner: Sally Marshall			Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources					
- Dissatisfaction - Political fallout - Reputation damage	4 - Very Likely	4 - Severe	16 - Red	- Corporate plan kept under review - MTFS kept under review - Fees & Charges strategy kept under review - Capital Strategy kept under review - Aspirations managed via communication e.g. articles in Dacorum Digest, press releases	2 - Unlikely	2 - Medium	4 - Green	Medium Term Financial Strategy uploaded into Corvu Capital Strategy uploaded into Corvu
Status of this risk: Tolerating			Corporate Priority: Dacorum Delivers					
Risk Owner Comments: At the July Cabinet meeting, Cabinet recommended to Council the approval of an update to the Medium Term Financial Strategy. This will be considered by Council in September 2012.								
<b>F2 - Lack of effective procurement and contract management</b>								
Risk Owner: Sally Marshall			Portfolio Holder: Cllr Neil Harden - Residents & Regulatory Services					
- Increased budgets - Reduced service quality - Contractual disputes - Impact on reputation - Decision makers not fully briefed	4 - Very Likely	4 - Severe	16 - Red	- Financial Regulations - Corporate Financial System - Agresso - Corporate Procurement Strategy - Procurement Standing Orders - continuously reviewed - Use of Herts Marketplace - Joint Procurement activity - Asset Management Group - Training programme - Corporate Procurement Group - with updated terms of reference - 6 monthly monitoring reports on procurement to Scrutiny Committees and Cabinet	2 - Unlikely	3 - High	6 - Amber	
Status of this risk: Treating			Corporate Priority: Dacorum Delivers					
Risk Owner Comments: A review of the Council's procurement function was undertaken in the last quarter of 2011/12 and an action plan agreed and is now being implemented.								

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<b>F3 - Failure to achieve identified savings to ensure that the budget remains balanced</b>								
Risk Owner: Sally Marshall			Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources					
- Reactive service changes rather than proactive - Damage to reputation - Criticism from external inspectors	4 - Very Likely	4 - Severe	<b>16 - Red</b>	- Budget process - Monthly budget monitoring - 'in year' budget management - Monthly performance report to Leader of Council	1 - Very Unlikely	4 - Severe	<b>4 - Green</b>	
Status of this risk: Tolerating			Corporate Priority: Dacorum Delivers					
<p>Risk Owner Comments:</p> <p>The Medium Term Strategy has been revised to take account of forthcoming changes to Local Government Finance and anticipated savings requirements. The MTFs will be kept under review and updated to take account of Government Funding announcements.</p> <p>The Budget Review group is commencing a work programme to identify and consider options to achieve a balanced budget for 2013/14.</p> <p>The Council's earmarked reserves have been kept under review and opportunities to contribute to specific reserves have been taken when and where possible to finance one off items or smooth the impact of the current economic situation and public spending reductions.</p>								
<b>Infrastructure Risks</b>								
<b>I2 - Failure to effectively manage health and safety</b>								
Risk Owner: Daniel Zammit			Portfolio Holder: Cllr Andrew Williams (Leader of the Council) - Community Leadership					
- Death/Injury - Litigation - Prosecution - Reputation damage - Low staff morale - Increased costs - Criticism by Regulatory bodies - Adverse impact on local environment & community	3 - Likely	4 - Severe	<b>12 - Red</b>	- Health & Safety Training - HR Service – implementation of policies and procedures - Sickness absence monitoring - Accident monitoring - Workplace Options - Appraisals - Flexible working policies - Quarterly reporting to CMT - Service H & S prioritised risk registers	1 - Very Unlikely	4 - Severe	<b>4 - Green</b>	Audit Committee report 25/4/12 Corporate Health & Safety Strategy Health & Safety Coordinator Role Health & Safety Organisation Structure - uploaded into Corvu
Status of this risk:			Corporate Priority: Dacorum Delivers					
<p>Risk Owner Comments:</p> <p>With strong political leadership, many of these risks are significantly reduced.</p>								
<b>Marketplace Risks</b>								
<b>M1 - Failure to deliver required regeneration and economic growth</b>								

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Risk Owner: Mark Gaynor Portfolio Holder: Cllr Terry Douris - Planning & Regeneration								
<ul style="list-style-type: none"> <li>- Unforeseen changes in levels of demand for services</li> <li>- Political fallout</li> <li>- Failure by Council to meet citizen's needs</li> <li>- Unplanned for financial implications</li> <li>- Regeneration of key areas e.g. Town Centre - does not happen</li> </ul>	3 - Likely	4 - Severe	12 - Red	<ul style="list-style-type: none"> <li>- Sustainable Community Strategy</li> <li>- Local Development Framework</li> <li>- Dacorum Partnership</li> <li>- Local Investment Plan &amp; partnership working with HCA</li> </ul>	3 - Likely	3 - High	9 - Amber	Sustainable Community Strategy uploaded into Corvu
Status of this risk: Treating Corporate Priority: Regeneration								
<p>Risk Owner Comments:</p> <p>Further mitigation is in progress: the work on completing the Core Strategy (Nov 2012); the work on implementing Community Infrastructure Levy (operational by April 2014); attraction of additional funding through Growing Places Fund; and partnership work with HCA and others</p>								
M2 - Failure to shape services based on robust understanding of customer's needs								
Risk Owner: Louise Miller Portfolio Holder: Cllr Brian Ayling - Policy Development								
<ul style="list-style-type: none"> <li>- Poor external assessment &amp; opinion</li> <li>- Reputation damage</li> <li>- Political fallout</li> <li>- High level of complaints</li> <li>- Potential loss of non statutory services</li> <li>- Decreased customer satisfaction levels</li> <li>- Provision of inappropriate services</li> <li>- Wasted resources</li> </ul>	4 - Very Likely	4 - Severe	16 - Red	<ul style="list-style-type: none"> <li>- Customer &amp; Community consultation processes</li> <li>- Reporting the results of the consultation to members</li> <li>- Code of Corporate Governance</li> <li>- View Point Action Plan</li> <li>- Consultation &amp; Communication Strategy</li> <li>- Community Plan Consultation</li> <li>- Dacorum Delivers Programme</li> <li>- Customer Insight Officer</li> <li>- Consultative outcomes fed into Service Planning process</li> <li>- Neighbourhood Action</li> <li>- Citizens Panel</li> <li>- My Place Survey</li> </ul>	2 - Unlikely	2 - Medium	4 - Green	
Status of this risk: Tolerating Corporate Priority: Dacorum Delivers								
<p>Risk Owner Comments:</p> <p>There is an ongoing programme to review service provision. Weekly meetings take place with officers and a Member representative to ensure that progress is being delivered to milestones.</p>								

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<b>Reputational Risks</b>								
R1 - Failure to align political aspirations for service delivery with budget pressures								
Risk Owner: Daniel Zammit			Portfolio Holder: Cllr Andrew Williams (Leader of the Council) - Community Leadership					
- Failure to deliver on aspirations - Financial implications - Adverse publicity - Political fall out for members	2 - Unlikely	4 - Severe	8 - Amber	- Regular 1 to 1's between Chief Executive & Leader - Portfolio Hold COG meetings raises awareness of situation - Directors meet with Portfolio Holders - Group meetings	1 - Very Unlikely	3 - High	3 - Green	
Status of this risk: Tolerating			Corporate Priority: Dacorum Delivers					
Risk Owner Comments: Risk score proportionate to perceived risk. Therefore retain.								
<b>R2 - Failure to respond to the opportunities presented by the Localism Bill and subsequent legislation</b>								
Risk Owner: Daniel Zammit			Portfolio Holder: Cllr Andrew Williams (Leader of the Council) - Community Leadership					
Decision makers not fully briefed Political fallout Reputation Damage Re-active strategies rather than the development of pro-active strategies Failure to optimise available opportunities	3 - Likely	4 - Severe	12 - Red	- Monitor Officer review of draft legislation & preparation of briefing paper. - Briefings to Corporate Management Team /Portfolio Holders and Chief Officers. - Inclusion in Forward Plan.	2 - Unlikely	4 - Severe	8 - Amber	
Status of this risk: Treating			Corporate Priority: Building Community Capacity					
Risk Owner Comments: In view of the work underway to address this challenge, the risk rating should be downgraded to Amber.								