

Appendix A

Corporate Strategic Risk Scenarios, June 2007

<i>Vulnerability</i>	<i>Trigger</i>	<i>Possible Consequences (including Reputation)</i>
<p>1 <u>Delivering the MTFS</u></p> <p>The Council's approach is to maintain a balanced, sustainable MTFS over the next 5 years. This depends on managing future spending requirements and maximising savings/cost reductions across all services.</p> <p>Part of the savings/cost reductions were to be delivered through a programme of business process reviews; however, as it now appears that the programme will not be able to deliver the predicted savings, it is being proposed that the programme be ended.</p>	<p>Non achievement of balanced MTFS in the previously approved timeframe.</p>	<p>Need to identify possible sources of external funding</p> <p>Need to achieve further savings and efficiencies in some service areas through other means.</p> <p>Need to make cuts in some service areas.</p> <p>Possible consequential impact on staff and Members.</p> <p>Consequential effect on reputation.</p>
<p>2 <u>CGI Improvement Plan</u></p> <p>The Council has to implement an Improvement Plan to address the issues raised by the Audit Commission in its CGI report.</p> <p>The Improvement Plan also includes matters related to wider improvement objectives of the Council.</p>	<p>The Council is unable to attract the support and resources it needs to implement the Improvement Plan.</p> <p>The Audit Commission does not consider the Council's progress in implementing the Improvement Plan to be adequate.</p> <p><i>Note: The Improvement Plan has its own Risk Log, so no separate Management Action Plan is required.</i></p>	<p>The Council has to divert resources away from other activities (possibly including front line services) in order to deliver the Plan.</p> <p>The Audit Commission will reconsider whether it is appropriate to exercise its power to make a recommendation to the Secretary of State to give a direction to the authority.</p> <p>Possible consequential impact on Members and staff, reputation with partner organisations and public, staff morale etc.</p>

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<p>3 <u>Financial constraints/ service pressure imbalance</u></p> <p>Given the government's present capping criteria, the Council's current level of General Fund expenditure is not sustainable once balances and reserves have been reduced to their optimum level.</p> <p>Further savings have been identified in order to maintain a balanced Medium Term Financial Strategy with effect from the 2007/08 financial year.</p>	<p>The general low financial position of the authority means that it is not able to increase the level of finance/ funding available to meet future service demands.</p> <p>Service pressures mean that the authority is not able to meet these within financial constraints.</p> <p>(Note: The outcome of the Housing Stock Options Appraisal could have an effect on the Council's future financial position.)</p>	<p>Possibly not able to meet statutory service requirements</p> <p>Consequential impact on reputation with partner organisations and public</p> <p>Loss of services</p> <p>Less money available to claim as efficiencies/savings</p> <p>Lower staff morale/ loss of staff</p>
<p>4 <u>Planning for Growth</u></p> <p>Requirement to accommodate significant growth in the District over 15 year period.</p> <p>Note: The following also need to be considered in relation to growth:</p> <ul style="list-style-type: none"> • There is a corporate risk generally re growth, not just related to planning. • There are other growth-related issues, e.g. affordable housing (already mentioned in Possible Consequences), community services, etc. 	<p>Further delays in government planning process.</p> <p>Inability to meet Structure Plan requirements (lack of capacity, either in house or in the market).</p> <p>The Council/ Cambs County could be impacted if other counties do not fulfil the requirements for their areas.</p> <p>Additional growth expectations.</p> <p>Failure to reach agreement with partners in respect of new working and decision making arrangements.</p>	<p>Secretary of State intervention.</p> <p>Lack of affordable housing.</p> <p>Failure to attract infrastructure development funding.</p> <p>Loss of income/ resources.</p> <p>Poor reputation with partner organisations and the public.</p>

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<p>5 <u>Equalities</u></p> <p>Including disability, age, etc (i.e. not just race). (Report on disability equality to Cabinet in November.)</p> <p>CRE surveys and possible detailed investigation.</p> <p>Equal pay.</p> <p>Designed access statements legislation.</p>	<p>The Council is successfully challenged over not complying with legislation.</p> <p>No in-house expertise, no money to buy in.</p>	<p>Investigation or intervention by relevant regulatory body or government department.</p> <p>Direction regarding implementation of policies and procedures.</p> <p>Legal action over non-compliance</p> <p>Financial payments and penalties</p> <p>Reputation, locally, nationally and with partner organisations.</p> <p>Impact on planning applications.</p>

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<p>6 <u>Better Regulation Agenda</u></p> <p>Drive to ensure risk-based approach to regulation targeting high-risk businesses and activities.</p> <p>Move in favour of compliance strategies with reductions in complexity and reduced regulatory burdens which do not jeopardise public protection etc.</p>	<p>Failure to comply with the Regulators compliance code.</p> <p>Failure to respond to the statutory guidance from LBRO.</p> <p>Failure to implement proposed new sanctions regime.</p>	<p>Greater scrutiny</p> <p>Loss of public confidence</p> <p>Government intervention</p> <p>Uncertainty over review process</p> <p>Reconfiguration of services</p> <p>Poor morale</p> <p>Customer expectations unmanaged.</p> <p>Poor CPA and Corporate Governance result</p> <p>Dissatisfied business community</p> <p>Reputational damage and adverse publicity</p>
<p>7 <u>Pandemic 'Flu</u></p> <p>Business continuity and emergency planning issues.</p>	<p>A pandemic 'flu outbreak occurs affecting South Cambridgeshire or organisations with whom we have a significant relationship.</p>	<p>Unable to provide full services.</p> <p>Unable to obtain required support.</p> <p>Involvement in emergency management.</p>

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<p>8 <u>Housing Stock Options Appraisal</u></p> <p>Identification and delivery of a sustainable future for the housing stock.</p> <p>Current forecasts suggest that the present funding level for the maintenance of the Council's housing stock is not sustainable from 2009/10 onwards.</p> <p>The options process will look at alternative ways of managing this risk including the option to transfer the management and ownership of the housing stock.</p> <p>The CGI report highlighted options appraisal as a key decision to resolve.</p>	<p>Failure to effectively engage key stakeholders, e.g. tenants, Members, staff.</p> <p>Failure to obtain clear tenant or Member support for preferred option.</p> <p><i>Note: The Housing Stock Options Appraisal has its own Risk Log, so no separate Management Action Plan is required.</i></p>	<p>Difficulty in implementing preferred option.</p> <p>Possible adverse publicity or other reputational damage.</p>
<p>9 <u>Engagement in LAA process and outcomes</u></p> <p>Need to engage fully with the process to obtain the required outcomes.</p>	<p>Not engaged enough</p> <p>Unable to resource LAA input requirements.</p> <p>Lack of understanding of the process or priority within senior staff.</p> <p>Lack of relevance of LAA agenda to service.</p>	<p>Funding opportunities not realised</p> <p>Reductions in efficiencies provided by working in partnership on enviro-crime, waste and public health matters.</p> <p>Reputational risks</p> <p>Community leadership role unfulfilled</p> <p>CPA and corporate governance impacts</p>

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<p>10 <u>Recruitment & Retention</u></p> <p>High cost of living area.</p> <p>Lack of supply of trained people in some specialist areas.</p> <p>Close competition in some professions.</p> <p>The private sector can offer better benefits packages.</p> <p>The image of local government generally and SCDC in particular.</p> <p>Note: This risk includes:</p> <ul style="list-style-type: none"> • Having the right number of staff, with the right skills, knowledge and competencies, to deliver services and meet the Council's corporate objectives. • Staff leaving the authority, for whatever reason, and not replaced. • Additional work required of remaining members of staff. • Training for people who are left and new incumbents. 	<p>Difficulties of recruiting to specific professions, in particular vocational areas.</p> <p>Relative inexperience of new staff; and training requirement for them.</p> <p>The current marketplace means that we might be having to pay people with less capacity, more to recruit them.</p> <p>Pressure on officers to deliver services.</p>	<p>Lack of capacity to meet service delivery needs.</p> <p>Impact on teams to provide cover.</p> <p>Cost of repeat recruitment.</p> <p>This also impacts on more senior staff, who lose time in mentoring etc new staff.</p> <p>Note: The workforce plan needs to include aiming to retain staff until succession planning is in place.</p> <p>Workforce plan afforded low priority in recent Policy & Performance and Corporate Work Plan, so the Management Action Plan for this risk is less effective; however, actions are taking place within the workforce plan and outside it to mitigate this risk.</p> <p>Loss of effectiveness in post.</p> <p>Increased absence rates</p> <p>Loss of effectiveness/ productivity</p>

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<p>11 <u>Illegal travellers encampments</u></p> <p>Local authorities have to make provision for travellers.</p> <p>Land acquisition/ planning law/ Human Rights Act (i.e. calls into question the whole planning system – how we deal with development control issues – undermining the credibility of planning).</p> <p>Note: This risk includes different aspects:</p> <ul style="list-style-type: none"> • Our response to unauthorised developments (e.g., the costs of injunctive action / implications for Council finances and the physical risks of any evictions). • Official expectations that we should provide for greater traveller need in the context of lack of Council land/resources and difficulties in identifying suitable sites that will have community support. • The possibility of a CRE investigation. 	<p>Illegal encampments set up in the District.</p> <p>Failure to find required number of sites.</p>	<p>Outbreak of law and disorder.</p> <p>Increase cost to all public service bodies/ organisations.</p> <p>Non payment of Council Tax.</p> <p>Provision of alternative sites and/or housing in the event of successful enforcement.</p> <p>Cost and workload of enforcement action.</p> <p>Public perception/ damage to reputation.</p>
<p>12 <u>Choice Based Lettings</u></p> <p>The Government has set a target that all RSL and Local authority landlords have a sub regional choice based letting scheme in place by 2010.</p>	<p>Failure to comply.</p>	<p>Council brought in to disrepute.</p> <p>Reduced opportunity to let properties that have proven to be difficult to let in the past.</p>