

Appendix 3 - Strategic Risks

Risk	Last reviewed	Net Risk Level Color	Review comments
Failure to focus on priorities and initiatives	Sep 11/12	Orange	With the return of the same political Administration in May 2011, the priorities and initiatives remain largely the same, but with an increased emphasis on delivery: Hinckley Hub (2012), Bus Station development (2014), Argents Mead Enhancements (2012) and Residents' Car Parking.
Damage to Reputation/adverse publicity	Sep 11/12	Red	Litigation on the Pilkington case was pursued by the family, but was strongly and successfully defended. EHRC now working collaboratively with the Council via a Section 23 Agreement (as a formal assessment) and outcome due by end of 2011. Joint publicity on this will be in terms of outcomes only. Secured 'Achieving' level for Equalities Framework. Drug/Alcohol Unit location is still being pursued with provider, to assist their meeting their contractual obligation to the commissioning group. Otherwise, net positive media coverage has been maintained
Failure to implement the Town Centre Plan	Sep 11/12	Orange	The risk register for the Atkins Site continues to be managed as a dedicated Major Project. The Atkins project was completed in Sep on time and in budget. The project board continues to meet to oversee the successful occupation of the building and the interface with the new college development. The new college was complete for September 2011. Residents Parking Schemes area currently being progressed for the Druid Quarter and Trinity Lane areas of the Town Centre to mitigate any potential impact from the College opening. It is anticipated LCC will be implementing the schemes early 2012. New bus stop facilities are installed. A risk register has been established for management in respect of the Bus Station project. Bus station scheme received planning consent in Dec 2010 and progress is now being made towards the CPO. The period for judicial review concludes at the end of April 2011. Tesco's have indicated it will withdraw its objections for the CPO Inquiry based on productive productive discussions with Director of Tescos. Good progress is being made on the CPO and arrangements are being made to have the CPO Inquiry to be convened week commencing 22 November 2011

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Failure to successfully deliver the Medium Term Financial Strategy	Sep 11/12		<p>Budget for 2011/12 approved by Council. Budget was delivered under unprecedented economic cut backs announced by coalition government under CSR 2010. Finance Settlement for 2011/12 reduced formula grant by over 14% with further reduction of around 9% announced provisionally for 2012/13. Assuming further 5% decreases for 2013/14 and 2014/15 to take us to the end of this parliament will reduce the Council's formula grant by around 33%. Budget for 2011/12 has been balanced after identifying base line savings of around £1.3m and by taking from earmarked reserves and balances a total of £653K. Council adopted approach to safeguard jobs and meet pledge given to staff that there would be no compulsory redundancies until April 2012. The medium term forecast is that there will be further deficit to fund of around £1.3m by 2013/14. Work has commenced on bridging this gap. Detailed discussions have taken place with all 3 trade unions and a recent ballot agreed to no increments for 2011/12 and for a rep working group to be set up to review the Travel Policy. Group has completed its work and recommendations if implemented will result in on-going savings of around £145,000 with one off costs in 2011/12 of just around £50,000. The on going savings exceed the target. This saving, together with the saving from not paying increments, the non payment of budgeted increase of £250 for all employees being paid under £21,000 (a proposal announced by the Chancellor in the emergency budget but subsequently withdrawn for local government), the allocation of the New Homes Bonus and additional income from Shared Services will go towards reducing this gap significantly. Unfortunately delay in implementing the local setting of planning fees has left a shortfall of £80,000 and this estimate has now been removed from the MTFs. Additionally, since most of the proposals will be implemented in 2011/12 then the draw down of the £653K from Balances and Reserves will be extended over next 3 years as opposed to all being utilised in 2011/12. Monitoring of the savings already built into the 2011/12 budget and the successful implementation of changes to the terms and conditions of employment with respect to the existing travel policy is critical in safeguarding future front line services. Pressure from Members to allocate New Homes Bonus to Localities is being considered and presentations made to Senior Leaders and the Parish Forum to explain impact over the long term of allocating substantial amounts of the Bonus to localities rather than supporting front line services. Gap between reduction in the Finance Settlement and the allocation of NHB over the 6 year period is a reduction in funding of £9m. Adding inflation at an average of 3% means that even if the Council retained 100% of it's allocation of NHB, there would need to be a reduction in service budgets of around 19%. Message has been communicated to Elected Members and the Parish Forum and it has been agreed that the Borough Council will allocate 25% of it's annual allocation to Parishes where the development has taken place. MTFs is currently being revised for approval by Council on 24th February 2012,. Before that as part of the process consultation will take place with budget managers, COB, SLB, Scrutiny and Executive Members.</p>

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Insufficient Business Continuity Management (incl Disaster recovery) arrangements	Sep 11/12		The review process is ongoing and no major issues have been identified.
Failure to Manage Partnership working :	Sep 11/12		Progress has been made on establishing a joint Community safety partnership with Blaby DC and a joint community safety plan has been adopted. Delivery Plans have now been developed and endorsed by the CSP. The LSP has reviewed its priorities for 2011/12 and agreed to focus on priority neighbourhoods and employment and skills development and oversee 5 key delivery partnerships. An evaluation review will take place by April 2012 of the success of the joint partnership
Dealing with numerous Public Enquiries	Sep 11/12		A number of key Public Inquiries have been held in respect of major housing schemes despite two positive decisions more recently, the Inspectorate has allowed two key appeals which will give challenges over the coming months in respect of speculative developments and potential further appeals which will need to be managed.
Failure to successfully adopt and deliver the LDF leads to:	Sep 11/12		Positive progress has been made during 2010/11 on the adoption of the town centre AAP and affordable housing DPD and rural needs DPP all delivered on programme. A thorough review of LDF budgets and commitments from 2010/11 to 2014 has been undertaken and financial impacts are now included within the MTFs agreed by Council FEB 2011. Key risk going forward is the programme for delivery of the housing allocation DPD and impacts arising from any change following the May local elections. Good progress has also been made on the SUE AAP and Masterplan which was adopted for consultation Dec 2010. As a result of new LCC transport modeling requirements, the programme for progressing the AAP is currently being revised and will result in slippage for submission to the Secretary of State and for inviting planning applications in for the development to early 2012. This is being managed to facilitate progress. Financial pressures continue to be monitored, linked to the evidence based technical work which is required in support of this document. HCA are engaged with this process and are providing financial support, dialogue is underway through the developer forums chaired by the HCA to continue to secure private sector funding towards this work. The MTFs adopted in Feb 2011 has been taken into account progressing the document through to Examination. Developers have recently agreed to fund transport modeling work to facilitate the completion of the final AAP document and to underpin their planning applications. There are still issues over agreeing baseline to be used for the LCC Transport Model which is currently being addressed. Engagement sessions between Developer Consortium and Members are being programmed for December 2011 prior to pre-application public consultation by the Developers in January/February 2012.

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Failure to adhere to Health and Safety Legislation/ Regulations	Jun 11/12	Orange	The H&S Officer continues support to the depot to a minimum of 2 days per week and is progressing a review of corporate Health and Safety for the Council. H&S audits of other work areas are continuing along with BCM preparedness. He is also assisting with the preparations for the transfer of the Housing Repairs function in-house. Legionella risk continues to be monitored in conjunction with SLM Ltd
A reduction in Benefit Subsidy as a result of error and/or poor performance impacting on Medium Term Financial Strategy	Sep 11/12	Orange	Because of the possible impact on the LA this risk will be continued to be monitored however our claim for 2009/10 was paid in full with no subsidy clawback. Auditors are currently reviewing our claim for 2010/11.
Failure to improve sickness absence	Sep 11/12	Orange	At year end, the absence position had significantly improved as compared with 2009/10 (6.49 days per employee, compared to 7.80 days during 2009/10. Rate at start of year consistent with overall rate for 2010/11 and has been maintained in second quarter. Issues continue to be addressed by the Chief Executive with relevant managers.
Non-compliance with Financial Regulations - Caused by: misunderstanding or non-application by officers	Mar 10/11	Green	This risk was reduced to Net Amber in February 08 following a favorable Internal Audit report in respect of compliance with Financial Regulations. At the year end review Mar 09 it was considered the net likelihood of this risk occurring should be reduced to low facilitating 6-monthly review. This position remains unchanged as at Sept 09. The position at the end of March 2010 remains unchanged. No significant issues arose during the year and this has been supported by the Internal Audit reviews and will be confirmed shortly in the Annual Audit Report. The position at 31 March 2011 remains unchanged.
Use of Rolling Revenue Budget Reports for movement of resources	Mar 10/11	Light Blue	This process was a very constructive element in the preparation of the budget for 2011/12. The process will continue to be an integral part of budget management during 2011/12 and reviews will take place jointly with trade unions.

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Failure of County Council Support/ engagement for the Local Strategic Partnership	Sep 11/12		The County council have committed to stay as a partner to the HBBC LSP and have been party to agreeing the new priorities going forward to 2011/12. However, there is no commitment for senior Officer representation from LCC to the LSP. The LSP have agreed to review its membership and arrangements to form a Locality Executive for early 2012 to oversee locality management arrangements
Failure to reduce future possibility of over-spend on HRA Capital spend and ensure continuous improvement of housing maintenance partnership	Sep 11/12		Final discussions have now taken place between senior management and Willmott Dixon have concluded. Close financial monitoring continues on the Responsive Repairs Contract aswell as an agreed end of contract forecast mechanism.
Failure to provide a fit for purpose Leisure Centre	Sep 11/12		SLB have considered potential options for procuring the delivery of either a refurbished or new leisure centre and agreed to revisit the recommendations of the joint report of the Cultural services manager and Estate and Assets manager following the outcomes of the May local elections. Discussions are underway with potential investment companies and KPMG to review potential financing models for a new leisure centre. It is anticipated that proposals will be brought forward to Members for consideration later this year. Executive in October 2011 agreed to formally test the market for both a new build and refurbishment options aimed at a decision for June 2012.
Failure to deliver / ensure sustainability to My Place Project	Sep 11/12		The Hinckley club for young people project was successfully completed on time and within budget and opened Sep 2011. The scheme was host to a royal visit in April 2011. A joint project board between HBBC and HC4YP continues to monitor progress on delivery of the business plan. The agents for HC4YP are currently managing the implications for the maintenance period for the scheme arising from the liquidation of the contractor post completion of the works. Membership of the Club is continuing to increase, helping to underpin the Business Case. Good progress has been made by the club in negotiating draw down of funding from the Bondsman to complete all outstanding snagging work and this should take place by December 2011.

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Loss of contract for Supporting People funded services	Sep 11/12	Red	Joint working at NWLDC to develop existing best practice within current service arrangements to ensure meet requirement standards for future tendering. Consideration of a joint control centre with NWLDC to position ourselves to bid for the single county contract for control centres... New additional mitigation plan added - undertake viability of all sheltered schemes to ensure they are fit for purpose
Review by the Equalities Commission for Human Rights of disability issues	Sep 11/12	Red	Section 23 Agreement now in place and has commenced. It is being implemented over much shorter timescales than originally envisaged. Much more positive and collaborative approach now adopted by EHRC. Opportunity to comment on the EHRC Inquiry into Disability Harassment was taken and acknowledged.