

Section 1 Net Red Risks

ref	Area of Concern / Risk Scenario	Existing Controls	Gross Risk Score	Net Risk Score	Update as at September 2011	Required Action(s)	Responsible officer	Deadline
	Finance related issues							
1.1 (SRR Ref 1.4, 1.5 & 2.13)	Spending reductions in wider public sector and the LG settlement of front loaded reductions of 28% is leading to severe pressure on the Council. In addition the recession is impacting in income levels in some services	MTFS TEB	16	12	Reduction in the funding of partners within other parts of the public sector is not having a significant impact at present. The 11-12 budget is now completed but there remains a significant gap, £3m, for 12-13 and beyond. Income levels appear to be stable at present, with the exception of income from fair funding which is likely to drop as schools become Academies	1. Review service reductions proposed for 12-13 to ensure a balanced budget can be set.	Corporate Board	1.10.11
1.2 (SRR Ref 2.11)	Overspend in Adults Social care each year for the last four years and which is on an upward trend.	MTFS Budget monitoring system Contingency fund Financial rules of procedure	16	12	Demographic modelling for activity and cost forecasting 2011/12 approved by TEB , Corporate Board and Management Board. Other potential risks held on a register by the service and accountancy. Monthly Adult Social Care Budget Monitoring meetings held with Director, Head of Service Portfolio Member for Finance, Portfolio Member for Community Care, s151 Officer, Finance Manager and Chief Executive. Benchmarking undertaken with other Berks UAs to understand any potential for further VFM. Dilnot Commission report on the funding of Social Care may provide a solution in	1. Risks to be monitored in ASC Budget Monitoring Meetings and alerts escalated as necessary to Corporate Board and Management Board. 2. Corporate VFM report to be agreed following benchmarking work, to identify any further actions in addition to those already underway through the MTFS/Transformation work.	Corporate Board	

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					the medium term.			
	External / Environmental							
<b>1.3 (SRR Ref 1.9)</b>	Terrorist Action may target AWE or rail network. Less likely is damage or destruction of a key Council building. In the case of Market St this would involve the loss of the data and telecoms network crippling the ability of the Council to deliver services.	Inter agency working Intelligence briefings Major Incident Plan	8	8	Government warning indicates threat is imminent.  Insurers are now offering more flexible cover, eg for a single building, maybe worth considering for Market St	1. Quote for Terrorism insurance for Market St to be sought on annual renewal 2. Review Building Security & raise staff awareness 3. Review contingency planning in the case of the loss of Market St.	Ian Priestley lackie Woodland	1.11.11
	Economic							
<b>1.4 (SRR Ref 3.12)</b>	Potential failure of a major supplier. Southern Cross provide residential care to WBC. 26 beds from SC at Hungerford and a further 26 at Reading. In addition other residents of WB have places with SC funded independently.	Contingency plan in place, with options outlined and risk register. Working with neighbouring Councils and NHS	12	8	The situation is changing on a daily basis as various options are considered by the Company. At present the situation appears to be stable.	1. Continuous monitoring and regular update into Corporate Board. 2. Corporate Board to agree the range of options to re-bed our clients in the event of these homes closing.	Jan Evans	
	Government Initiatives							

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1.5 (SRR Ref 2.7)	Changed governance for schools caused by schools opting for Academy status impacting on the funding of services that provide support to schools	Marketing services to Academies MTFS Schools Funding Formula review	8	8	2 Secondary Schools have moved over. 1 Secondary looking to move from September.  Likely that other Secondary Schools will follow. Latest indications are that very few former 'fair funding services' will be offered to academies and this will result in a loss of income  Secretary of State has indicated worst 200 primary schools will be required to become Academies  A number of Local Authorities have taken a legal challenge to the DFE's decision to remove LA funding to support the additional costs of Academies	1. Academies working group established.  2. Consideration being given to continuing selling some services to Academies.	All Service Managers selling service to schools	
1.6 (SRR Ref 2.8)	Major change programme in Community Services including the closure of Day Care Centres and the shift to Personal Budgets.	Possible increased funding MTFS TEB	12	9	Major change programme is underway. Programme Group is overseeing the changes.	1. Regular reporting to Corporate Board to ensure project stays on track to deliver savings.	Jan Evans	
	HR Related Issues							
1.7 (SRR Ref 2.22)	Failure of key systems / services due to reliance on key individuals caused by the need to make staffing reductions.	Workforce (succession) planning. Cross working to spread knowledge. Identification of key	12	9	Cuts to staffing are leaving some services dependent on single individuals to manage business critical functions.	1. Identify key individuals 2. Review contingency arrangements 3. Consideration of Shared Services to	All Heads of Service	

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		individuals in service plans.				improve resilience		

Section 2 New emerging / increasing risk areas

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	Financial Issues							
2.1 (SRR Ref 1.6)	Increasing inflation causing increased costs, adding to the pressure on the budget	MTFS	9	6	Bank of England now forecasting 5% inflation. This may add to pressure on wage demands and will impact on contracts where uplift is driven by RPI, RPIX , eg Waste.	1. Renegotiate contracts – eg 2 week bin collection 2. Avoid use of RPIX in future contracts, or renegotiate to CPI?	All Heads of Service	
2.2 (SRR Ref 2.10)	Inaccurate or unreliable financial planning caused by changes in Government funding method leading to the need to make additional cuts in services.	MTFS includes sensitivity analysis Budget monitoring Financial rules of procedure Strong governance and controls TEP	6	6	Recent changes in the method of allocating grant, eg the removal of funding to cover Academies, is making the job of providing a robust MTFS difficult.	1. MTFS model under continuous review	Joseph Holmes	
2.3 (SRR Ref 2.12)	Tax Base not rising in line with expectations caused by impact of the recession on house building leading to reduced income - potentially higher Council Tax.	Set a prudent but realistic projection Undertake sensitivity analysis. Monitor through TEP Planning policy re new build	9	4	When you take into account the time at which the forecast has to be prepared and the number of factors outside of the Council's control, the forecast Tax Base for 2010/11 proved to be accurate. The issue that arose was that new properties are taking longer to sell and occupy and therefore the amount of tax being collected is lower than forecast. This has a negative effect on the collection fund position.	The tax base model is constantly reviewed as new information and trends become known.	Steve Duffin	

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<b>2.4</b> <b>(SRR Ref 2.1)</b>	Failure to deliver outcomes on Council Plan. Caused by Inadequate resources. Leading to Service delivery failure and reputation damage	Effective service planning. Effective performance management. Effective resource planning. Effective risk management.	<b>9</b>	<b>4</b>	The level of savings required over the next three years means that services are being cut.	1. Council Plan revision needs to reflect reduced resources. 2. Implications of cuts needs to be considered	Corporate Board	
	External							
<b>2.5</b> <b>(SRR Ref 1.15)</b>	Fuel shortages caused by disruption to supplies due to local disputes in the UK over rising fuel prices or civil unrest in oil producing countries. Leading to disruption to Council services and the community, possible reputation damage and civil unrest	MIP Fuel Plan Multi-agency Working Rationing Timelord	<b>9</b>	<b>6</b>	Petrol prices are at record high. Ongoing civil unrest / civil war in a number of oil producing countries.	1. Review the relevant Plans (MIP, Fuel Plan) 2. Multi Agency working	Carolyn Richardson	
<b>2.6</b> <b>(SRR Ref 1.13)</b>	Continuing risk from adverse weather – drought, flooding, storm, heatwave, snow.	Major Incident Plan Multi agency working, including flood action group and Thames Valley LRF Adverse Weather Group. Maintenance of drainage systems by Council	<b>12</b>	<b>6</b>	Drought declared in East Anglia – potential for same here.	1. Require regular assurance that the seasonal plans are being kept up to date.	Carolyn Richardson	
<b>2.7</b> <b>(SRR Ref 1.14)</b>	Risk of breakdown in Telecoms caused by theft of hardware / wiring, leading to major	Major Incident Plan Business Continuity Plan	<b>8</b>	<b>6</b>	New issue that should be monitored	1. Review of the Council's Business Continuity Plans to	Jackie Woodland	

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1.7)	disruption to the Council.	Liaison with utilities and Police. Flexible working				ensure they reflect this latest risk		
	Public Relations							
2.8 (SRR Ref 2.24 & 2.27)	Failure to manage bad / difficult news in the local media	Effective PR – with clear ownership by the Executive.	9	6	Fair amount of negative press for LG at present, due to cost reductions. Members and Officers have continual liaison over potential issues – eg providing public explanation of the need to make cuts.	1. Monitoring and proactive press management	Keith Ulyyat	
	Government Initiatives							
2.9 (SRR Ref 2.4)	The Government is proposing to give responsibility for Public Health to local authorities	Transfer of Resources TUPE of existing staff	9	6	This will go ahead, but details are unclear as yet.	1. Project plan needs to be put in place 2. Responsibility to manage the plan needs to be allocated	Corporate Board	
2.10 (SRR Ref 2.5)	The Government is proposing changes to the benefit regulations with a possible cap on the level of benefits. This may lead to an increase in homelessness	Homelessness Strategy	9	6	The first of the key changes to the Housing Benefit regulations come into force from April 2011. These will reduce the level of housing benefit payable but some of the changes are being phased in over a 12 month period and some limited time protection is in place. The likely impact on the homelessness level has not been analysed.	Benefits system updated. Benefits, Customer Services and Housing staff briefed. Letters sent to claimants directly impacted by the changes.	June Graves	
2.11	The Government is proposing to introduce place based	Working with partners	12	6	Will go ahead, and details are starting to emerge.	1. Project plan needs to be put in place	Corporate Board	





Section 3 Reducing risk areas

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3.1 (SRR Ref 3.7)	Health and Safety governance	Effective School Service Safety Management System in place Health and safety Strategy Risk Strategy Group Effective performance management Effective School Support Service FLASH reporting	12	6	The new reporting system is in place now, and is bedding in well. It will be amended from the third quarter, to require incidents and accidents to be investigated. The H&S Team have implemented a new process for investigating and reporting on serious incidents.		Ian Priestley	
3.2 (SRR Ref 3.11)	Loss / compromise of confidential information	Security controls and policy GCSX Controls Hard disc encryption	12	6	Action Plan in place which includes Training encryption, guidance and internal regulation. Quarterly reports being prepared for Corporate Board.		Jackie Woodland	
3.3 (SRR Ref 5.2)	Increasing numbers of poorly performing schools leading to poor quality education, intervention and reputation damage caused by poor leadership within schools	School Improvement Service Monitoring and support processes Risk assessment and intervention process	9	6	School Improvement Management Board in place. Schools causing concern identified early, action agreed at School Improvement Management Board and implemented.		Ian Pearson	

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3.4 (SRR Ref 2.15)	Scale of Capital Programme can not be sustained as it is no longer affordable, this will impact on a range of projects across the Council – eg schools maintenance, Highways Maintenance	MTFS Capital Strategy	9	4	Capital Strategy Group has prioritised the available resources.		John Ashworth	
3.5 (SRR Ref 5.1)	Failure to deliver Carbon Reduction targets leading to reputation damage and financial penalties (CRC). Possible “tax” impact of £204k.	Carbon Management Plan Cleaner Greener Programme Group MTFS / Five year Capital Strategy Central energy contract Short term additional resource	9	6	The Council has secured short term additional resource to aid delivery of projects from within the carbon management plan. Projects planned for delivery in 2010/11 includes installation of voltage optimisation/reduction technology in at least 10 buildings (equates to saving approx 225 tonnes CO2 per year). This contract has been tendered via Eastern Shires Purchasing Organisation framework agreement and the submitted bids are currently in the process of being evaluated. Other projects include installation of variable speed drives in 4 leisure centres (equates to saving approx 96 tonnes CO2 per year), the implementation of automatic meter reading technology to enable better data management and analysis, new staff induction and training, pool covers, and boiler replacements.		Adrian Slaughter	