

5. STRATEGIC RISKS 2017/18

REPORT OF: Head of Corporate Resources
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Wards Affected: All
Key Decision: No
Report to: Cabinet
27 March 2017

Purpose of Report

1. The purpose of this report is to consider the Council's key strategic risks for 2017/18 and the plans that have been developed for the mitigation and management of those risks.

Summary

2. Officers have identified four significant strategic risks for the Council in 2017/18. The risks have been assessed using the Council's Strategic Risk Management Policy which considers the likelihood of occurring, and the level of impact there would be on the organisation and/or the district should they occur. The small number of identified risks reflects the successful and careful management of risks that has taken place over recent years.
3. It is good practice that the Council's Strategic Risk Management Policy is reviewed on an annual basis. A copy of the current policy can be found at Appendix C.

Recommendations

4. **That Cabinet:**
 - (i) **Agrees the strategic risks for 2017/18 and management plans set out at appendices A and B; and**
 - (ii) **Agrees the existing Strategic Risk Management Policy, as set out at Appendix C.**
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Background

5. On 1st March 2017, Council approved the Corporate Plan and Budget for 2017/18. This Plan is the outcome of a robust service and financial planning process. However, like all plans, it is based on best known assumptions at the time. If these assumptions prove inaccurate because circumstances change during the year, there could be a potential impact on the Council's ability to fully deliver its plans during the year or to be able to do so within budget. It is therefore prudent that the Council identifies what significant factors or events might occur and to ensure it has in place appropriate arrangements for mitigating 'strategic risks'.

2017/18 Strategic Risk Profile

6. Consideration has been given to possible risks across the full range of matters including, financial, legal, reputational, partnership and other risks. Four key strategic risks have been assessed as sufficiently significant that Cabinet may want to record them on the risk profile. These represent similar risks to those identified in 2016/17. Subject to Cabinet's views, these strategic risks will require specific arrangements to manage them. Suggested management plans for each of these are the focus of this report. The proposed Strategic Risk Profile for 2017/18 together with that for 2016/17 is set out as Appendix A.
7. The four proposed strategic risks for 2017/18 are:
 - Risk 1 Acceptable outcome of Planning Inspectorate Examination in Public of the District Plan
 - Risk 2 Changes to ICT Infrastructure
 - Risk 3 Capacity of West Sussex County Council to support Mid Sussex District Council's ambitions
 - Risk 4 Partnership Projects
8. Fuller descriptions of each risk, together with the mitigating actions that are being undertaken to address them, and the relevant contingency plans should those risks materialise, are set out at Appendix B.

Risk Management through 2017/18

9. In order to ensure the on-going management of risks through the year, all committee reports contain a risk management section which highlights any associated strategic risks with the subject under examination in that report, and how these risks are being managed. Where reports are dealing with identified key strategic risk areas, the report will provide an update on the management of that risk and note any significant changes in likelihood or impact which may warrant a re-rating of the risk.
10. The individual risk assessments set out at Appendix B indicate what the main reporting mechanisms are for each of the risks over the coming year. It is the responsibility of the relevant Cabinet Portfolio Holder and Head of Service to regularly monitor each strategic risk throughout the year.

Strategic Risk Management Policy

11. In December 2006, Cabinet adopted a Strategic Risk Management Policy. This is reviewed on an annual basis to ensure it remains fit for purpose. The Policy is set out at Appendix C for Cabinet's consideration.

Policy Context

12. The Council has a robust and effective approach to strategic risk management. Strategic Risk Management is an important aspect of every organisation's service and budget processes and the achievement of its corporate priorities. Its application cannot fully insulate the Council from the impact of unexpected external events but it will ensure the Council is best placed to respond if such events occur

Financial Implications

13. There are no financial implications directly arising from this report.

Risk Management Implications

14. There are no other strategic risk implications aside from those set out in the report. However it should be noted that *operational* risk matters, such as specific business continuity issues, are handled separately through the Council's Corporate Safety and Risk Management Group.

Equalities Implications

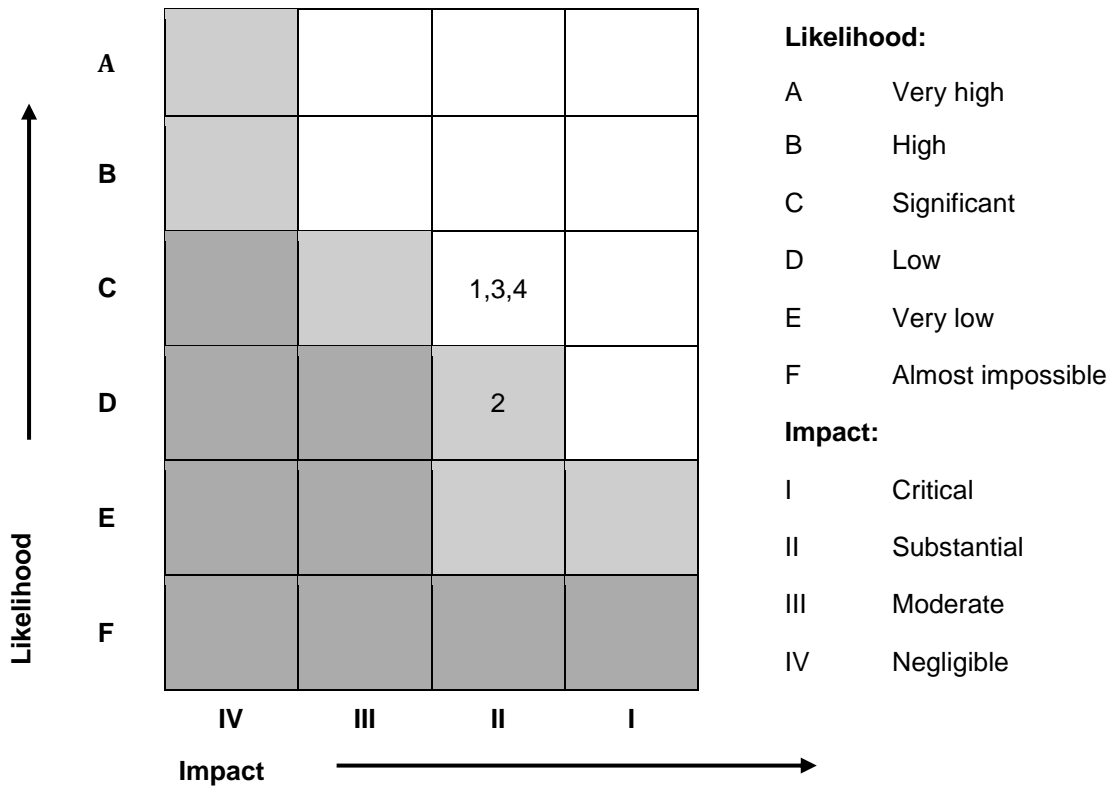
15. Effective management of risks is essential to protect those who are more vulnerable. Where appropriate, Equality Impact Assessments are undertaken where service or policy changes are taking place.

Background Papers

None.

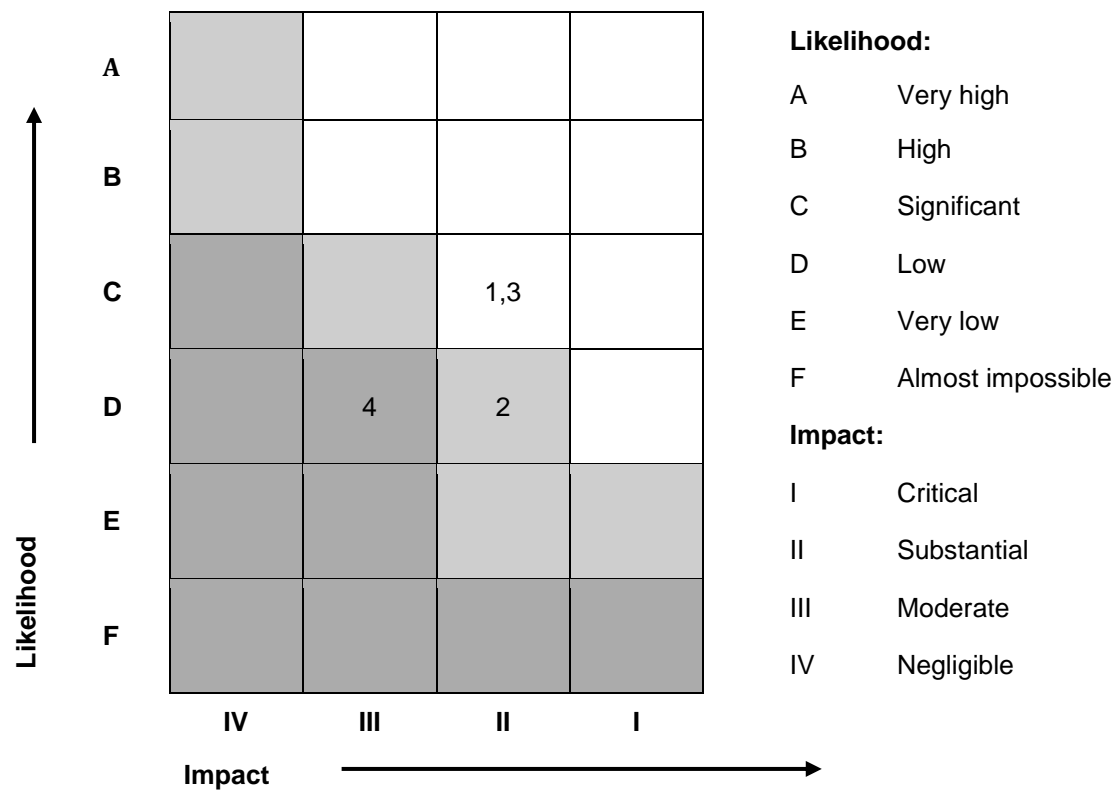
MSDC STRATEGIC RISK PROFILE

Current Risk Matrix 2016/17



Risk No.	Description of the Potential Strategic Risk / Vulnerability	Responsible Portfolio holder and Officer
1.	Failure to achieve a successful examination of the District Plan and Community Infrastructure Charging Schedule	Cllr Andrew MacNaughton Judy Holmes
2.	Changes to ICT Infrastructure	Cllr Jonathan Ash Edwards Simon Hughes
3.	Changes to the operating model at West Sussex County Council	Cllr Garry Wall Judy Holmes
4.	Partnership Projects	Cllr Garry Wall Judy Holmes

Suggested Risk Matrix 2017/18



Risk No.	Description of the Potential Strategic Risk / Vulnerability	Responsible Portfolio holder and Officer
1.	Acceptable outcome of Planning Inspectorate Examination in Public of the District Plan	Cllr Andrew MacNaughton Judy Holmes
2.	Changes to ICT Infrastructure	Cllr Mandy Thomas Atkin Simon Hughes
3.	Capacity of West Sussex County Council to support Mid Sussex District Council's ambitions	Cllrs Jonathan Ash Edwards and Andrew MacNaughton Judy Holmes
4.	Partnership Projects	Cllr Jonathan Ash Edwards Peter Stuart

MID SUSSEX STRATEGIC RISK MANAGEMENT PLANS 2017/18

Risk 1 – Acceptable outcome of Planning Inspectorate Examination In Public of the District Plan:

An adopted District Plan, which meets community needs and aspirations and protects Mid Sussex from inappropriate development; which strikes an appropriate balance between maximising the contributions towards infrastructure and not inhibiting economic growth or affordable housing provision will protect the District from unwanted development.

Description of Risk:

The Council agreed on 11th November 2015 to publish 'Focused Amendments' to the District Plan for public comment in November/December and submitted the Plan to the Inspectorate in summer 2016. Examination started in November 2016 and at the time of this assessment is ongoing.

At the start of this financial year the Council's District Plan was in the process of being examined in public by the Planning Inspectorate. The outcome of this Examination is unlikely to be known until later in the year and it is the Council's decision whether it accepts the Inspector's recommendation.

During this time the Council has very limited control over how, what and where development occurs, which could severely impact on the environmental, social and economic wellbeing of Mid Sussex. In addition the Council has no control over the Inspector's recommendations from the Examination. The Inspector's recommendations may impact on Neighbourhood Plans.

In terms of likelihood of the risk being realised, significant progress has been made over the last 2 years. In particular advice has been sought from consultants and a Planning QC. It is considered that these changes significantly reduce the likelihood of failure at examination and will also reduce the risk of an unacceptable outcome from the Public Examination.

Assessment of Risk:

Likelihood: Significant (C)

Impact: Substantial (II)

Consequences if Risk Occurs:

a) In 2017/18

- An unacceptable outcome may result in the Council deciding not to adopt a Plan or to delay the adoption of the District Plan;
- Delays to the adoption of the District Plan will perpetuate the District's vulnerability to unplanned development because weight will not be able to be attached to it in making planning decisions;
- Where consensus has been achieved on the location of development (such as at Burgess Hill) rival housing proposals could be successful, and prejudice the achievement of the vision for the town;
- Appeal costs could increase as a result of dealing with unplanned schemes.

b) In future years

- As above – unwanted, unplanned, unsustainable growth;
- A loss of pace and certainty to housing delivery;
- Inadequate affordable housing leading to longer waiting lists and increased homelessness, with a consequent impact on homelessness costs;
- Inadequate sustainable housing to support a reasonable level of economic growth;
- Reduced infrastructure contributions due to scaled back s106 powers from April 2015, and no Community Infrastructure Levy in place;
- Impact on existing and new Neighbourhood Plans.

ACTION PLAN

PREVENTION	MITIGATION
<p>What we currently do to reduce likelihood of risk occurring during 2017/18:</p> <p>The Council has taken advice from DCLG, the Planning Inspectorate and external advisors to ensure that the work it has carried out on its evidence base and the Plan itself puts it in the best position to achieve a successful outcome at examination.</p> <p>Ongoing work continues to progress the strategic development in the District Plan in particular the Burgess Hill development supported by the Government and HCA</p> <p>Significant progress has been made with neighbourhood plans, which underpin the District Plan. As at February 2017, 16 plans have been 'made' and 2 have been submitted for examination. The remaining 2 are at various stages of public consultation and should be submitted for examination during 2017/18.</p> <p>The Council will continue to work with Town and Parish Councils to deliver robust Neighbourhood Plans.</p>	<p>What we currently do to reduce the negative consequences if the risk does occur during 2017/18:</p> <p>Progress is regularly reviewed by Management Team. In the event that the risk does occur then Management Team will advise Members on the appropriate way forward.</p> <p>Members will be updated on progress via the Cabinet Member and more formally via the Scrutiny Committee for Community, Housing and Planning and informally by the Planning Working Group.</p> <p>The Leader, Cabinet Member and officers will continue to work with neighbouring authorities to clarify their positions and agree mechanisms for addressing cross-boundary issues.</p> <p>Pre-application work on the Burgess Hill development will be progressed to ensure that the quality of the scheme meets the community needs and aspirations and addresses the wider impacts of the</p>

	<p>development.</p> <p>Officers, in consultation with Ward Members, will continue to work with Town and Parish Councils and developers on other major site proposals to ensure that these are of the best achievable quality and location, and meet community aspirations where possible.</p>
<p>What else are we going to do in 2017/18?</p> <p>This project is regularly reviewed by Management Team to ensure that it stays on track and any issues are resolved promptly.</p> <p>Members will be updated on progress via the Cabinet Member and more formally via the Scrutiny Committee for Community, Housing and Planning and informally through the Planning Working Group.</p> <p>Depending on the outcome of Examination advice will be provided to Town and Parish Councils regarding their Neighbourhood Plans.</p>	<p>What else are we going to do in 2017/18</p> <p>Subject to the outcome of the Examination the remaining Neighbourhood Plans are expected to be finalised during 2017/18. This will increase the robustness of the evidence for deliverability of the neighbourhood plan element of the proposed housing provision in the District Plan. Members and officers will continue to work with and support Town and Parish Councils in producing Neighbourhood Plans.</p>
<p>How and when will the risk be reviewed during 2017/18:</p> <p>Risk reviewed by updates to the Scrutiny Committee. Reviewed regularly by Management Team and Cabinet Members.</p>	
<p>Responsibility for the risk:</p> <p>Cabinet Member: Councillor Andrew MacNaughton Management Team Member: Judy Holmes</p>	
<p>Date of Assessment: 15th February 2017</p>	

Risk 2 – Changes to ICT Infrastructure

Description of Risk:

The Council has been part of the CenSus ICT partnership for 7 years and whilst some hardware and services are shared across all four partners, many more are still used only by the individual authorities and continue to be maintained locally. Assessing the risk of disruption is more complex without defining the system(s) potentially affected. Some risks are therefore shared and mitigated through the work of the CenSus ICT partnership and some are Mid Sussex specific.

This situation changing as Mid Sussex develops and implements its Digital Strategy. The strategy focusses, in part, on simplifying the hardware and software estate and by adopting more flexible technologies, for example cloud hosting and low-code software. These are replacing some existing legacy software. To date this has been achieved in a measured and careful manner with no disruption to services. For example, the implementation of the new Customer Services system and Waste systems caused no service interruptions, and indeed the resilience and data quality of these services has significantly improved. It is possible that some implementation issues may be encountered during the transition as architecture information and documentation of existing legacy systems is poor. While these should not be significant or lead to disruption, it is considered that the overall level of risk is heightened for that period.

In addition, with this gradual move to offsite infrastructure, internet connectivity assumes paramount importance. There is no history of this service failing, although recently our partners connectivity has been subject to a Distributed Denial of Service (DDOS) attack and slowed considerably. Fail safes are in place but again this reliance adds an element of risk albeit one that would be outweighed by the retention of legacy hardware with the consequent age-related failures. We have also invested in a separate connection to allow a fail over and also increased bandwidth to business critical applications.

We also recognise that our ICT partners are both engaged in wholesale change; culturally and operationally which will impact upon the deployment of ICT resource. Balancing the application of finite resources across all clients does have the potential to lead to a shortfall to partners which may in turn threaten service delivery.

Assessment of Risk:

Likelihood: Low (D)

Impact: Substantial (II)

Potential Consequences if Risk Occurs:

a) In 2017/18:

- Loss of key systems or connectivity would lead to service interruption, perhaps for extended times. All services could be affected to varying degrees,.
- Service interruption could mean the inability to recover sums due, pay customers and benefit recipients or communicate adequately or conduct Council business including the Planning function, depending upon the length of time for which disruption occurred.

b) In future years:

- It is unlikely that system disruption would flow across years but the inevitable resource drain in dealing with system recovery would threaten the 'Business as Usual' workload of staff and thereby create a knock on effect for other system work. Likewise, there could be an ongoing threat to the reputation of the Council.

ACTION PLAN

PREVENTION

What we currently do to reduce likelihood of risk occurring during 2017/18:

Microsoft Office is being migrated to O365 which is cloud hosted. This means should internet connectivity fail at any site emails and productivity applications can still be accessed using 3 and 4 G connections. Phase 2 will then move 'live' documents and data to be cloud hosted ensuring these are accessible at all times.

An additional 100MB connection has been installed to provide additional bandwidth and a fail over facility should other Wide Area Network connections fail or slow due to increased traffic of malicious attack.

For the Revenues and Benefits service (provided to three councils), a full disaster recovery plan is in place with a redundant server allowing full mirroring of data every 24 hours.

Other key systems are shared across partners (for example, the IDOX planning system) and are held on servers in Horsham thus distributing the risk across multiple sites.

Single points of failure are being identified not only within the technical stack but also in expertise to support systems.

The ICT Working Group monitor the progress of existing projects and the need to engage in new ICT projects with the aim of rationalising the ICT estate.

MITIGATION

What we currently do to reduce the negative consequences if the risk does occur during 2017/18:

Backup processes are well established but on new equipment and 'restore' procedures are tested for some key systems still held here at MSDC. Some remote monitoring of key systems is in place, although this will be improved by the introduction of monitoring software in the current year.

A recent audit of the backup arrangements has tested the current procedures.

The Wide Area Network should give us multiple paths to reach the internet to enable connectivity to be maintained.

As systems migrate to the cloud access will also be enabled through mobile devices and 3 and 4 G connections. This means should the LAN fail or be subject to a DDOS attack other routes can be used for most cloud based systems.

What else are we going to do in 2017/18?

Server migration is underway which will allow the system to be hosted in Private/Public Cloud to improve resilience and eliminate the risk of hardware failure. In turn this also reduces the reliance on CenSus ICT to manage a wide range of business systems. While some systems management will be required for cloud services these are typically guaranteed at 99.95% availability

CenSus are employing a Project Manager in the current year to ensure that change programmes relating to this are properly resourced and managed.

The Joint Committee monitors the performance of the service at each of their meetings.

What else are we going to do in 2017/18?

We are proposing to work with external experts to build capabilities that will allow us to substantially replace the Waste management, HR, and Building Control systems and to develop a roadmap for the Digital Strategy at Mid Sussex.

We have also established an ICT Reserve to finance the implementation of Cloud-based platforms and managed withdrawal of local solutions.

Further moves to software as a service (SaaS) reduce the risks associated with network infrastructure.

How and when will the risk be reviewed during 2016/17:

This will be reviewed via the Management Team at Mid Sussex, at the CenSus Programme Management Board and at the quarterly CenSus Joint Committee. Responsibility for ensuring that the overall arrangements improve and the risks are properly managed lies with the Lead Authority with MSDC and Worthing and Adur Councils acting as client.

Responsibility for the risk:

Cabinet Member: Councillor Mandy Thomas Atkin
Management Team Member: Simon Hughes

Date of Assessment: 25 January 2017

Risk 3 – Capacity of West Sussex County Council to support MSDC’s ambitions

Description of Risk:

West Sussex County Council (WSCC) is a key partner in progressing the Council’s growth ambitions at Burgess Hill. In particular this Council is reliant on West Sussex County Council specialist advice on infrastructure requirements.

The County Council has been in a state of change for almost 3 years and whilst a new senior management team is in place and new working relationships are developing there remains capacity shortfalls in some of the key specialist teams, particularly highways and economic development.

The Council has successfully secured £31.86m funding from the LEP to support Burgess Hill growth area. To some extent this Council is reliant on West Sussex County Council to utilise this funding to deliver the supporting infrastructure.

Burgess Hill Growth Area, comprises

- Northern Arc
- Town Centre redevelopment
- The Brow redevelopment
- Science and Technology Park
- The Hub

There are a number of difficult risks associated with the Growth Area.

Northern Arc:

- Provision of 3,500 homes and associated infrastructure is not only crucial to the vitality of the area but is a key component of the Council’s District Plan.
- Failure to deliver the housing would put pressure on other areas of Mid Sussex to make up the housing shortfall.
- Delivery of the housing without the necessary infrastructure at the right time would result in an unsustainable development, pressure on the local infrastructure, particularly the road network, and significant damage to the reputation of the Council and the appetite of the community to accept future growth plans.

Town centre redevelopment

- Failure to deliver the redevelopment will result in the loss of £65m of private investment into the town centre and would be a missed opportunity to significantly improve the shopping and recreational experience of users and night time economy of the town centre. Delivery of the town centre without improvements in transport infrastructure will jeopardise the levels of footfall required to make it successful.

The Brow

- Failure to deliver public sector partners aspirations will result in a lost opportunity to provide a community hub which would include provision for health, police and ambulance services and make better use of a strategic location.

Science Park

- Failure to deliver this would present a lost opportunity to create a unique and innovative park which could attract high value knowledge based industries such as bio data, life sciences, bio tech etc. The location of such a park within Mid Sussex would attract other similar businesses to the surrounding area and ultimately result in a closer match between the highly skilled workforce in Mid Sussex and the workplace opportunities, leading to a decrease in out-commuting.

The Hub

- Failure to attract sufficient tenants of the type that will enhance the local economy will mean that the opportunity is lost to deliver sustainable and attractive jobs.

Assessment of Risk:**Likelihood: Significant (C)****Impact: Substantial (II)****Consequences if Risk Occurs:**

a) In 2017/18:

- If not well managed the capacity challenges facing WSCC could have implications for this Council's growth ambitions.
- Timely good quality advice on planning applications, negotiations with developers for infrastructure such as schools, highways and sustainable transport.
- Existing strong relationships may be significantly and negatively affected
- Future and new joint working may be under threat which may stifle innovative joint working for example; projects may be delayed or not progressed.
- The sustained growth will not be delivered in a sustainable way thereby the growth at Burgess Hill will not be supported by infrastructure undermining political and local support and ultimately as loss of much needed housing and supporting infrastructure.

b) In future years

- Opportunities for this Council to work in partnership with the County Council to provide sustainable planned growth.
- Loss of housing or housing in less sustainable locations.
- Loss of high value employment opportunities.
- Loss of community provision.

ACTION PLAN

PREVENTION	MITIGATION
<p>What we currently do to reduce likelihood of risk occurring during 2017/18:</p> <ul style="list-style-type: none"> • Established close working relationships with the CC team and developers. • Established robust governance arrangements – set up an Officers Group, Development Board and Town and Parish Advisory group. • Developed close working relationships with the HCA. • Commissioned support from a number of specialist external advisors to support both Councils and to assist in negotiations with the developers. • Invest Council resources in employing a team of specialists to assist in the delivery of the developments. • Monitor the County Council's financial 	<p>What we currently do to reduce the negative consequences if the risk does occur during 2017/18:</p> <ul style="list-style-type: none"> • Earlier identification of issues through governance and management arrangements. • Keep relationships and arrangements under constant review. • Be vigilant and alert to all risks and share intelligence. • Hold regular meetings with stakeholders to ensure a detailed understanding of positions and any fall back options they may have. • An agreed "District Deal" with WSCC confirming both Councils' commitment to the planned growth. • Keep relationships and partnerships

<p>position.</p> <ul style="list-style-type: none"> • Build, utilise and strengthen existing good working relationships with County Council colleagues at all levels including with the Chief Operating Officer and Senior Management Team. This Council's Chief Executive meets regularly with WSCC Chief Executive. • Continue to support and promote partnership working with the County Council to protect existing and new projects and initiatives. • Continue to ensure strong political relationships between senior members at the County and District Councils. 	<p>under constant review.</p> <ul style="list-style-type: none"> • Be alert to the risks at all levels of the Council and share intelligence with Management Team. • The senior management teams from both the Councils will start to meet regularly to build and nurture working relationships. • Use established contacts at the County Council to deal with issues early. • Use of West Sussex Chief Executive's group to raise issues of concern.
<p>What else are we going to do in 2017/18?</p> <p>Continue to secure funding from Local Growth Fund to forward fund critical infrastructure to unblock development where appropriate</p> <p>Highlight difficulties as soon as they arise</p> <p>Implement a coherent comms strategy to ensure all partners are fully engaged</p> <p>Identify learnings from other complex projects delivered by local authorities through partnership working.</p> <p>We will keep an open dialogue and secure assurance from senior County Council colleagues</p> <p>Use all our intelligence and contacts to keep information flowing</p> <p>Use political networks to flag difficulties should they arise.</p>	<p>What else are we going to do in 2017/18?</p> <p>Use the governance arrangements and project management process to highlight risks and identify mitigations.</p> <p>Use our regular meetings with the CE at the County Council and relevant Councillors to discuss the risks and identify mitigations</p> <p>Seek to influence the change to ensure WSCC supports delivery of the planned growth working is maintained</p>
<p>How and when will the risk be reviewed during 2017/18?</p> <ul style="list-style-type: none"> • Continually develop good working relationships with new members of the Senior Management Team. • Encourage sharing intelligence at all levels of the Council with Management Team. • Maintain regular meetings with senior colleagues (including Councillors) at the County Council. 	

Responsibility for the risk

Cabinet Members: Councillors Ash Edwards and MacNaughton
Management Team Member: Judy Holmes

Date of Assessment: February 2017

Risk 4: Partnership Projects

Description of Risk:

More and more of the Council's work involves working in partnership with other bodies such as other Councils, Government and private developers. Partnership working can be resource intensive and presents a range of potential risks and opportunities. Some can be high risk due to outside influences which the Council has less control over than internal matters. However they can also be very productive, enabling the Council to access different skills and resources and achieve better results for Mid Sussex than the Council working alone.

In 2017/18 one partnership is changing form. Census, the partnership between Adur DC, Worthing BC, Horsham DC and us, covering both ICT and Revenues and Benefits is being dissolved, starting with the withdrawal of Adur DC from the Revs/Bens side. Shortly afterwards, Horsham DC will leave (although at the time of writing we do not know their new operating model) and Mid Sussex will operate on its own.

In parallel, the ICT partnership is being dismantled as the transition towards Cloud gathers pace. The staff originally TUPE transferred to Horsham DC will return to their previous authority and Census will consist only of a service administering those legacy systems that are shared, such as Uniform.

This change brings risks to the service over and above those inherent in a business as usual environment. The main ramifications are that service levels are affected.

Assessment of Risk:

Likelihood: Low
Impact: Moderate

Consequences if Risk Occurs:

a) In 2017/18

Revenues and Benefits

- The main risk here is that the transition from three partners to two does not go smoothly and there is some service interruption for users. While this would predominantly affect Adur DC as the leaving authority, there is the potential for the remaining services to be affected which would disturb the award of Housing Benefit and the collection of Revenues.
- Housing Benefit awards some £33m to qualifying households each year to strict performance standards for new claims and changes of circumstance. Any significant variation in these standards brings the risk of hardship and, possibly, eviction for vulnerable people.
- Mid Sussex collects over £150m each year in council tax and business rates combined and it is imperative that this proceeds smoothly since payments to preceptors are fixed for the year and our cashflow would unduly suffer.

ACTION PLAN	
PREVENTION	MITIGATION
<p>What we currently do to reduce likelihood of risk occurring during 2017/18:</p> <ul style="list-style-type: none"> • Established an Revs/Bens Officer Project Group to oversee the workstreams relating to ICT, HR and Staffing and Finance • Drawn up project plans to guide the transitions • Taken quality HR advice on dealing with staff transfers • Engaged with software suppliers to commission disaggregation of joint systems • Chosen a non-critical date for a hard split to occur (rather than using financial year start/end) • Keeping staff engaged in the process. 	<p>What we currently do to reduce the negative consequences if the risk does occur during 2017/18:</p> <p>The withdrawal date for Adur DC leaving is deliberately set so that there is some room for flexibility in case targets are not met.</p> <p>Ultimately, mitigation is available through the withdrawal being put off or deferred although this will become difficult if prolonged.</p>
PREVENTION	MITIGATION
<p>What else are we going to do in 2017/18?</p> <p>We have engaged consultants to review the structure of the organisation ready for when Mid Sussex reverts to running its own service. Whilst we do not yet know how Horsham DC intends to operate, their intention to leave is clear. We can therefore plan ahead and implement a structure that can be flexed for when the disaggregation occurs. Their leaving is unlikely to be before April 2018, and probably at least 6 months later.</p>	<p>What else are we going to do in 2017/18?</p> <p>We are not actively recruiting staff into the Revenues and Benefits service in order to preserve flexibility when the partnership disaggregates. This should give more certainty over employment for the staff remaining.</p> <p>We are also proceeding with the move of the core system server to a new operating system (Linux) in order that we can then move the software off site and adopt a remote support package. This should reduce the risks inherent in running our own service and remove single points of failure in the support supply chain.</p>
<p>How and when will the risk be reviewed during 2017/18: Regular reports to Management Team and Census Joint Committee</p>	
<p>Responsibility for the risk</p> <p>Cabinet Member: Councillor Jonathan Ash Edwards Management Team Member: Peter Stuart</p>	
<p>Date of Assessment: 8th February 2017</p>	

Strategic Risk Management Policy - Mid Sussex District Council

1. Purpose

This is the Mid Sussex District Council Strategic Risk Management Policy approved by Cabinet in December 2006. It sets out the Council's approach to Strategic Risk Management.

2. Definition

Strategic risk management is the way that the Council responds to uncertainty in the external environment. It allows the Council to:

- Identify key strategic risks in the context of the Corporate Plan's objectives.
- Assess risks to determine the potential likelihood and impact of each risk.
- Determine the response that should be made to each risk.
- Develop the necessary actions, controls and processes to implement the chosen response to each risk.
- Communicate its approach to risk management and the results of risk management activity.
- Deal with each risk – either avoid, reduce, share or accept it.

Please Note: In addition to its *strategic* risk management, the Council has a well established approach to *operational* risk management and the principles and tools used to manage this are set out in a more detailed operational risk management strategy.

3. Risk Culture

A strong business wide risk culture is an important aspect of strong corporate governance. Risk Culture is the shared values, attitudes and practices that characterise how the Council considers risk on a day to day basis. The Risk Culture has developed at the Council over recent years so that as an organisation it is less risk averse. Our experience since 2004 has been that this improved risk culture has been influenced by the following factors:

- Awareness of risks faced by the Council
- Understanding of the business and the relevance of risk
- Clear ownership of risks
- Clearly defined responsibilities for risk management activity
- Effective monitoring and reporting of the effectiveness of risk

Whilst the Council is not risk averse, the principles contained within this policy ensure that the Council strikes the right balance in its approach to strategic risk management.

4. Responsibility

Cabinet

Cabinet is the body responsible for the Council's strategic risk management. Cabinet will approve the Council's strategic risks on an annual basis. Cabinet members will work with

Heads of Service regarding the progress in managing risks that fall within their portfolio. In addition Cabinet will:

- Provide overall direction on strategic risk management.
- Promote a positive risk culture throughout the organisation including promoting its importance to other Members.
- Hold an annual workshop to agree the strategic risks for the following 12 months.
- Approve an annual Strategic Risk Profile.

The Cabinet Member for Finance and Service Delivery is recognised as the Member Risk Champion and works with the Officer Risk Champion to embed risk management into the organisation.

Management Team

Management Team is responsible for ensuring the Council’s strategic risks are actively managed through the year. It will use its weekly meetings to monitor progress across all the risks and where it is found a risk has raised up the risk profile, a report will be submitted to Cabinet. In addition, Management Team has the following responsibilities:

- Implementing the strategic risk management policy.
- Reviewing the management of strategic risk.
- Monitoring the effectiveness of the controls developed to implement the chosen risk response.
- Integrating risk management into the service and budget planning process.
- Promoting a robust and proactive risk culture throughout the organisation.
- Ensuring that appropriate training is put in place for appropriate officers and that it is reflected in the Member Development programme.

The Assistant Chief Executive is recognised as the Officer Risk Champion and works with the Member Risk Champion to embed risk management into the organisation.

5. Reporting Framework

Report	Frequency	Responsible	Considered By
Risk Profile	Annual	Cabinet/Management Team	Cabinet
Management of Strategic Risks	Monthly	Management Team	Management Team
Review of Individual Risk Management	As required	Designated Lead Head of Service for each risk	Designated Committee

6. Review

This Policy will be reviewed on an annual basis by Cabinet.