

## **STRATEGIC RISKS 2019/20**

REPORT OF: Head of Corporate Resources  
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Wards Affected: All  
Key Decision: No  
Report to: Cabinet  
11 March 2019

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### **Purpose of Report**

1. The purpose of this report is to consider the Council's key strategic risks for 2019/20 and the plans that have been developed for the mitigation and management of those risks.

### **Summary**

2. Officers have identified three significant strategic risks for the Council in 2019/20. The risks have been assessed using the Council's Strategic Risk Management Policy which considers the likelihood of occurrence, and the level of impact on the organisation and/or the district should they occur. The small number of identified risks reflects the successful and careful management of risk 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 2019/20 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 with the only amendment being Officer and Member titles.**
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### **Background**

5. Council approved the Corporate Plan and Budget for 2019/20 on 27 February 2019. 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'.

## **2019/20 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. Three key strategic risks have been assessed as sufficiently significant that Cabinet may want to record them on the risk profile. One of the three risks from 2018/19 has been retained and two of the risks, “Changes to ICT Infrastructure” and “Partnership Projects” have been recommended for removal in 2019/20 and replaced with alternatives. 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 2019/20 together with that for 2018/19 is set out as Appendix A.
7. The three proposed strategic risks for 2019/20 are:
  - Risk 1 - Capacity of West Sussex County Council to support Mid Sussex District Council’s ambitions
  - Risk 2 - West Sussex County Council budget cuts: housing related support, recycling credits and support services for vulnerable children & families
  - Risk 3 - Threat of No Deal Brexit
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 2019/20**

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**

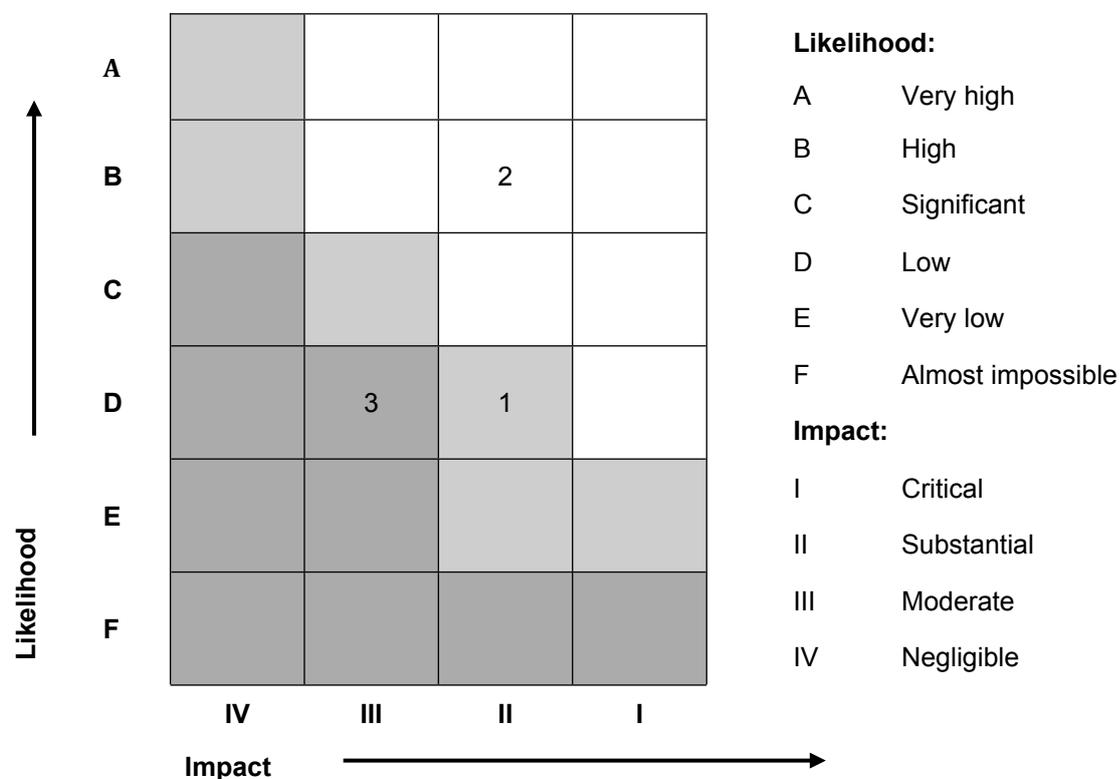
15. Effective management of risks is essential to protect those who are more vulnerable. Where appropriate, Equality Impact Assessments are undertaken where service or policy changes are taking place.

### **Background Papers**

None.

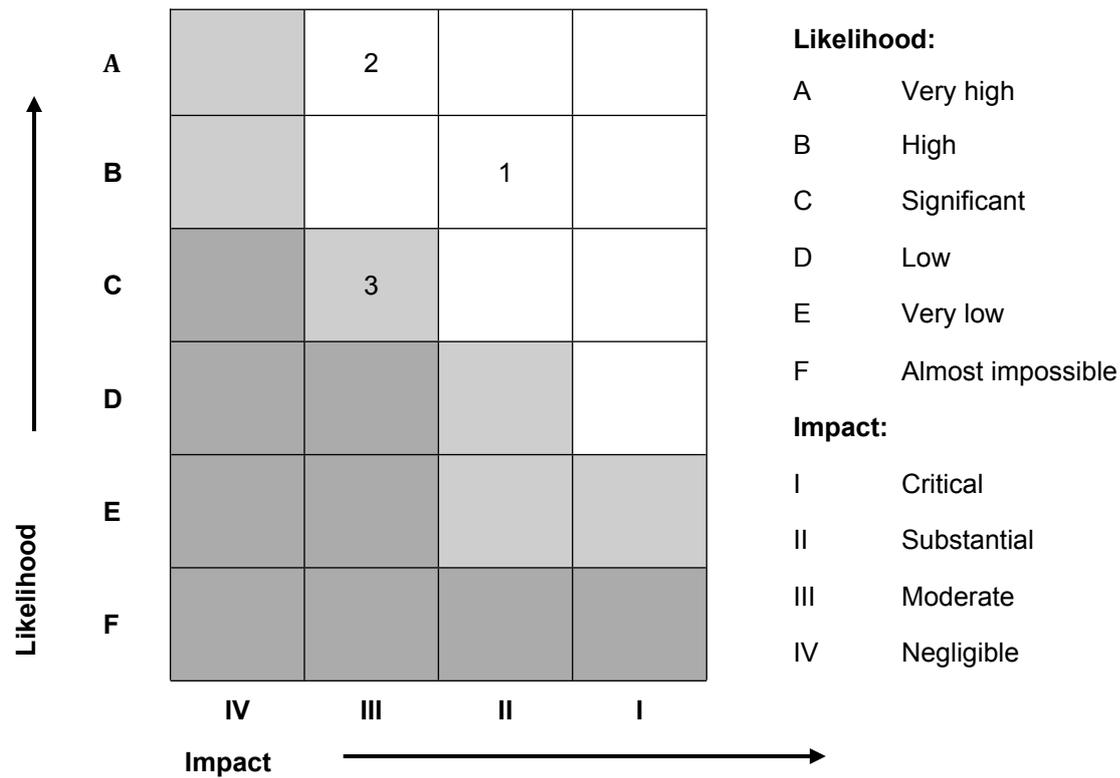
**MSDC STRATEGIC RISK PROFILE**

Current Risk Matrix 2018/19



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

**Suggested Risk Matrix 2019/20**



Risk No.	Description of the Potential Strategic Risk / Vulnerability	Responsible Portfolio holder and Officer
1.	Capacity of West Sussex County Council to support Mid Sussex District Council's ambitions	Cllrs Jonathan Ash Edwards and Andrew MacNaughton Judy Holmes
2.	West Sussex County Council budget cuts – housing related support, recycling credits and support services for vulnerable children & families	Cllrs Jonathan Ash Edwards, Andrew MacNaughton and Norman Webster Judy Holmes / Peter Stuart
3.	Threat of No Deal Brexit	Cllr Jonathan Ash Edwards Peter Stuart

## MID SUSSEX STRATEGIC RISK MANAGEMENT PLANS 2019/20

**Risk 1 - Capacity of West Sussex County Council to support MSDC's ambitions****Description of Risk:**

West Sussex County Council (WSSCC) 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 and delivery of infrastructure requirements.

Whilst a new senior management team is in place and working relationships are good there remain capacity shortfalls in some of the key specialist teams, in particular highways and economic development.

The Burgess Hill programme is the largest Strategic Growth Programme in the sub region. As such it enjoys national recognition which increases delivery expectations and also the reputational risks. The Growth Programme comprises:

- The Northern Arc – a development of 3,500 homes plus three distinct neighbourhood centres, two primary and one secondary school, sports and leisure provision, and new employment space
- Town Centre redevelopment
- The Brow redevelopment
- The Science and Technology Park
- The Hub, a 15 hectare employment space
- The People and Place programme (formerly the Sustainable Transport Package).

Homes England has recognised the regional and national importance of the programme by making the largest intervention anywhere in the country by acquiring all of the land parcels that make up the 188 hectare Northern Arc site. Homes England have also committed to investing some £162m in strategic infrastructure for the Northern Arc which will be recovered through developer contributions. Taken together these interventions bring certainty and pace to the programme.

In addition to that intervention, the Council has successfully secured from Homes England:

- £14 million forward funding for site remediation works at Fairbridge Way
- £6.5 million from the Housing Infrastructure Fund (HIF) to fund odour remediation at Goddards Green Waste Water Treatment works to unlock land for 256 homes and to accelerate the delivery of the whole programme.

The Council has also successfully secured £31.9m funding from the LEP to support Burgess Hill Strategic Growth Programme. This is made up of:

- £4 million to match fund the odour remediation at Goddards Green Waste Water Treatment works
- £10.9 million to support the People and Place programme for Burgess Hill
- £17 million to support improvements to the A2300 corridor.

This Council is reliant on West Sussex County Council to utilise this funding to deliver the supporting infrastructure for the Northern Arc.

The key risks associated with the Strategic Growth Programme are summarised below.

#### **Northern Arc:**

- In Summer 2018 Homes England announced its acquisition of all of the land parcels that make up the 188 hectare Northern Arc site. Homes England have also committed to investing some £162m in strategic infrastructure for the Northern Arc which will be recovered through developer contributions.
- 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, increase 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.
- Failure to deliver the associated infrastructure such as the schools and road improvements will place unsustainable pressure on existing infrastructure.

#### **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 vitality and viability of the town centre. Delivery of the town centre without improvements in transport infrastructure is likely to impact the levels of footfall required to make the new town centre a success.

#### **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 the loss of an opportunity to develop up to 440 new homes.

#### **Science Park**

- Failure to deliver this would present a lost opportunity to create a unique new employment space which could attract high value knowledge based industries including life sciences and bio tech, with an estimated gross value added to the economy of £350 million. The location of such a park within Mid Sussex would help attract other similar technology-led businesses to the district and ultimately result in a closer match between the highly skilled workforce in Mid Sussex and the workplace opportunities, improving opportunities for high GVA jobs for residents and therefore helping reduce the extent of 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.

#### **The People and Place programme**

- Underspend of LGF funding caused by delays to Programme Delivery with impact on year end spend profile and conformance with March 2021 deadline. The main impact will be possible reputational damage to the Burgess Hill Programme and to MSDC and WSCC.

- Delay in signing off the Funding Agreement with Coast to Capital. This could impact on the LGF funding spend profile, with the potential for C2C to raise the RAG status of the programme which in turn will lead to closer project scrutiny from C2C which will require more time and resources to manage.

**Assessment of Risk:**

Likelihood: Significant (B)  
Impact: Substantial (II)

**Consequences if Risk Occurs:**

In 2019/20;

(a) If not well managed the capacity challenges facing WSCC could have implications for this Council's growth ambitions. These implications include:

- Reputational impact with external funders, in particular the Local Enterprise Partnership, Homes England, and the Ministry of Housing, Community, and Local Government (MHCLG) resulting in a loss of confidence, putting future funding in jeopardy.
- An impact of the Council's ability to deliver 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 timely delivery of key projects within the growth programme may be impacted, undermining political and local support and ultimately delaying the delivery of much needed housing and supporting infrastructure.

(b) In future years there could be an impact on opportunities for the Council to work in partnership with West Sussex County Council to provide sustainable planned growth. Specific possible impacts include:

- Loss of transport infrastructure improvements
- Loss of housing or housing in less sustainable locations.
- Loss of high value employment opportunities.
- Loss of community provision.

**ACTION PLAN**

**PREVENTION**

**What we currently do to reduce likelihood of risk occurring during 2019/20:**

- Established close working relationships with the WSCC team and developers.
- Continued operation of the robust

**MITIGATION**

**What we currently do to reduce the negative consequences if the risk does occur during 2019/20:**

- During 2017/18 we strengthened the governance arrangements supporting

<p>governance arrangements which were refreshed in January 2018, comprising a Project Officers' Group, Growth Programme Board, Leaders' Growth Board, Members' Steering Group, and Town and Parish Strategic Liaison Group.</p> <ul style="list-style-type: none"> <li>• Maintaining close working relationships with Homes England as the principal landowner and developer for the Northern Arc</li> <li>• Maintaining close working relationships with NewRiver REIT as the principal landowner and developer of the Burgess Hill Town Centre regeneration scheme</li> <li>• Invest Council resources in employing a team of specialists to assist in the delivery of the developments.</li> <li>• Monitor the County Council's financial position.</li> <li>• Build, utilise and strengthen existing good working relationships with County Council colleagues at all levels including with the Chief Executive and Senior Management Team. This Council's Chief Executive meets regularly with WSCC Chief Executive.</li> <li>• Continue to support and promote partnership working with the County Council to protect existing and new projects and initiatives.</li> <li>• Continue to ensure strong political relationships between senior members at the County and District Councils.</li> </ul>	<p>key growth work.</p> <ul style="list-style-type: none"> <li>• Earlier identification of issues through the refreshed governance and management arrangements.</li> <li>• Keep relationships, partnerships and arrangements under constant review.</li> <li>• Be vigilant and alert to all risks and share intelligence, using the monthly meetings of the Project Officers' Group and Growth Board to identify, escalate, and develop responses to any significant risks.</li> <li>• Hold regular meetings with stakeholders to ensure a detailed understanding of positions and any fall back options they may have.</li> <li>• An agreed "District Deal" with WSCC confirming both Councils' commitment to the planned growth.</li> <li>• Be alert to the risks at all levels of the Council and share intelligence with Management Team.</li> <li>• The senior management teams from both the Councils will start to meet regularly to build and nurture working relationships, through the monthly meetings of the Growth Board and other meetings.</li> <li>• Use established contacts at the County Council to deal with issues early.</li> <li>• Use of West Sussex Chief Executives group to raise issues of concern.</li> </ul>
<p><b>What else are we going to do in 2019/20?</b></p> <p>Continue to secure funding from external bodies, including the Local Growth Fund (LGF) and Housing Infrastructure Fund (HIF) to forward fund critical infrastructure to unblock development where appropriate.</p> <p>Highlight emergent issues as soon as they begin to arise.</p> <p>Implement a coherent communications strategy to ensure all partners are fully engaged.</p> <p>Identify learning from other complex projects delivered by local authorities through partnership working.</p>	<p><b>What else are we going to do in 2019/20?</b></p> <p>Use the governance arrangements and project management process to highlight risks, escalate where appropriate, and identify mitigating actions.</p> <p>Use our regular meetings with the Chief Executive at the County Council and relevant Councillors to discuss the risks and identify and agree mitigating actions.</p> <p>Seek to influence key senior WSCC officers and Councillors to ensure WSCC supports delivery of the planned growth working is maintained.</p> <p>Where necessary, directly commission work</p>

We will keep an open dialogue and secure ongoing support and commitment from senior County Council colleagues.

Use all our business intelligence and our network of contacts to ensure proactive sharing of relevant information about emergent project issues and risks.

Use political networks to flag difficulties should they arise.

to support the Council's growth ambitions.

**How and when will the risk be reviewed during 2019/20?**

- Continually develop good working relationships with new members of the WSCC 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:** 14 February 2019

## **Risk 2 - West Sussex County Council budget cuts: housing related support, recycling credits and support services for vulnerable children & families**

### **Description of Risk:**

Over the coming four years West Sussex County Council have identified a net budget gap of £46.1m. Whilst the full implications of this gap for this council in the coming years is unknown in setting the budget for 2019/20 WSCC are proposing to make cuts to some services which will have an impact on this Council's services and will negatively impact on residents. The housing related support budget will be cut by £6.3m. Recycling credit payments made to district and boroughs will be reduced by £1m. Funding for the Integrated Provider and Early Help (IPEH) service will be reduced by £4.9m. These cuts have an immediate impact on this Council as follows –

1. Housing related support budget for 2019/20 has been reduced from £6.3m to £4.6m. This means that all housing related support contracts currently supported by WSCC's budget will be terminated on the 1<sup>st</sup> of October 2019. From then WSCC will only provide £1.3m to meet their statutory duties. From April 2020 the budget will be £2.3m recurrently.
2. From April 2019 WSCC will revert to using the statutory minimum payment calculation for paying recycling credits to all districts in West Sussex. In Mid Sussex this will create a deficit of £52k in 2019/20. However, there are proposals by WSCC to consider further potential opportunities to reduce the budget.
3. Funding for Integrated Prevention and Earliest Help (IPEH) services have been cut from April 2019 by £4.9m over the coming two years.
4. In addition to the aforementioned known cuts some of this Council's services rely on funding from the County Council and there is a risk that future budget cuts could be imposed on those services by the County Council. Services most at risk are parking, planning and economic development and wellbeing.

### **Assessment of Risk:**

Likelihood (A)

Impact (i)

### **Consequences if Risk Occurs:**

a) In 2019/20

#### **General**

The key risk of any cuts is a reduction in services for residents and reputational damage for both Councils. Budget reductions if this significance also place a significant strain on partnership working if not managed well. There is also a potential for it to inhibit innovation.

#### **Specific**

##### **Housing support**

This budget provides support for a significant number of vulnerable people who have

complex social care and health needs. This support has a significant role in preventing homelessness and promoting independent living. The current ranges of services commissioned from this budget provide a diverse spread in terms of the client group and pattern of delivery. In some cases they provide housing as well as housing support. Removal/reduction of these services will have a negative effect on residents in the district. There will also be an impact on the Councils revenue budget in particular the temporary accommodation budgets there will also be an impact on the County Council's social care budgets. Housing related support provides an important function in maintaining tenancies and preventing homeless. If this Council is unable to house tenants due to a lack of appropriate support, this will place a burden on social care and health budgets and also on the voluntary sector. This area of social policy is complex; statutory responsibilities between the Social Care Act and Housing Act are blurred. These changes are likely to generate challenge from clients and their advocates.

**Recycling**

Whilst the impact of this reduction can be mitigated in 2019/20 there are significant potential implications in future years particularly for the delivery of the Waste Strategy and on the West Sussex Waste Partnership. This will negatively impact on production of a joint countywide waste strategy, recycling performance and innovation in services to improve performance. The uncertainty is detrimental to partnership working and is negatively impacting.

**IPEH** - This service provides support for vulnerable children and families in the district. There is a risk that these cuts to prevention services will negatively impact on families' potentially placing pressure on this Council's services in particular community services which includes; the wellbeing service, community safety, community development and family support programmes.

**Other services** – It is difficult to predict what other cuts the County Council may make to other services but it unlikely that in 2019/20 there will be cuts to other services which impact on this Council.

b) In future years

**Housing** – The lack of appropriate and adequate housing support will continue to be an issue particularly as other factors such as, universal credit, lack of affordable housing and further reductions in social care budgets also impact.

**Recycling credits** – Uncertainty in the County Council's intentions regarding recycling credits is significantly damaging relationships and impairing innovation work needed to improve services and increase recycling performance.

<b>ACTION PLAN</b>	
<b>PREVENTION</b>	<b>MITIGATION</b>
<p>What we currently do to reduce likelihood of risk occurring during 2019/20:</p> <ul style="list-style-type: none"> <li>• Establish close working relationships with both District and County colleagues and partners to develop</li> </ul>	<p>What we currently do to reduce the negative consequences if the risk does occur during 2019/20:</p>

<p>joint strategic responses.</p> <ul style="list-style-type: none"> <li>• Set up Task and Finish groups as appropriate to decommission and, where possible, recommission services.</li> <li>• Seek alternative forms of funding where possible, such as Government funding.</li> <li>• Continue to ensure strong political relationships between senior Members at both County and District Councils.</li> </ul>	
<p>What else are we going to do in 2019/20?</p> <ul style="list-style-type: none"> <li>• Work with Supported Housing providers;</li> <li>• Explore alternative sources of funding for supporting housing.</li> <li>• Prepare a Countywide Waste Strategy;</li> <li>• Use political networks to flag difficulties should they arise;</li> <li>• Keep an open dialogue with and secure assurances from senior County Council colleagues.</li> <li>• Provide a formal response to WSCC regarding IPEH proposals outlining concerns. Advocate for slowing of decision making process</li> <li>• Use relevant local and partnership data to identify key areas of risk and focus (Strategic Intelligence Assessment)</li> </ul>	<p>What else are we going to do in 2019/20?</p> <ul style="list-style-type: none"> <li>• Use the governance arrangements to highlight risks and identify mitigations.</li> <li>• Use our regular meetings with the Chief Executive at the County Council and relevant Councillors to discuss the risks and identify mitigations.</li> </ul>
<p>How and when will the risk be reviewed during 2019/20:</p> <ul style="list-style-type: none"> <li>• Regularly at MT meetings; countywide Chief executive meetings and West Sussex Leaders meetings.</li> <li>• MSP Board</li> <li>• At every meeting of the Housing Task and Finish group.</li> <li>• At the appropriate countywide West Sussex Waste Partnership meetings.</li> </ul>	
<p><b>Responsibility for the risk</b></p> <p>Cabinet Member: Cllrs Ash Edwards, MacNaughton and Webster</p> <p>Management Team Member: Judy Holmes &amp; Peter Stuart</p>	
<p>Date of Assessment: 14 February 2019</p>	

### **Risk 3 - Threat of No Deal Brexit**

#### **Description of Risk:**

The United Kingdom (UK) is expected to leave the European Union (EU) on the 29<sup>th</sup> March 2019. At the time of writing, the government has yet to negotiate a withdrawal agreement which poses the risk of the UK leaving without a deal, also known as a 'No Deal Brexit'. This scenario would mean that the UK would leave the EU without a 21 month transition period and local authorities and other public bodies would need to respond immediately to significant changes in legislation and impacts to critical services.

As part of the preparations for a No Deal scenario, the Cabinet Office and the Ministry of Housing, Communities and Local Government (MHCLG) have provided Category 1 partners with a list of planning assumptions on which to base their contingency planning. These assumptions are marked as Official-Sensitive and are not for dissemination outside of those who are involved in the planning process. However, a high level overview of these can be found below:

- Trade: The UK would revert to World Trade Organisation (WTO) rules on trade, meaning that it would face EU external tariffs and increased costs. There is also the potential that some UK goods would be rejected by the EU due to new certification requirements.

Manufacturers could choose to leave the UK, as was the case with Honda, due to concerns about supply chain vulnerabilities, increasing unemployment.

- Supply Chain: Due to new trade rules, the UK could find it difficult to obtain key goods and services such as fuel and data storage.
- People: EU citizens may choose to leave the UK in the event of a No Deal Brexit. This could impact staff resources within public bodies and contractors.

UK carriers may be prevented from flying to EU destinations post No Deal Brexit, leading to stranded UK nationals and increased traffic flow in the Gatwick area.

Returning ex-patriots claiming homelessness could place an additional strain on Housing Services.

There is a risk of civil disorder due to the national divide in how people voted.

- Legislation changes: There would not be any legislation in place immediately after a No Deal Brexit for enforcement of Environmental Health issues.

At present, the Council and its partners' preparations remain focused only on a No Deal scenario.

#### **Assessment of Risk:**

Likelihood: High

Impact: Substantial

**Consequences if Risk Occurs:**

a) In 2019/20;

If the Council fails to sufficiently prepare for a No Deal scenario, there could be significant implications for its critical activities such as Waste Collection, Revenues and Benefits, and Housing Services. In the short term this would cause the following impacts:

- Reputational damage resulting from failing to sufficiently provide key services.
- Legal action from failing to provide statutory services.

b) Despite the most significant impacts being expected in the short term, the Council's reputation could be affected for a sustained period of time following the incident if effective preparations were not made.

**ACTION PLAN**

<b>PREVENTION</b>	<b>MITIGATION</b>
<p>What we currently do to reduce likelihood of risk occurring during 2019/20:</p> <ul style="list-style-type: none"><li>• The Council is unable to reduce the risk of a No Deal Brexit occurring.</li></ul>	<p>What we currently do to reduce the negative consequences if the risk does occur during 2019/20:</p> <ul style="list-style-type: none"><li>• The Council has set up a Brexit Co-ordinating Group (BCG) to assess and prepare for the impacts of a No Deal scenario.</li><li>• Identifying risks to supply chains/key services and planning against these.</li><li>• Refreshing and embedding the Council's Business Continuity (BC) arrangements to increase organisational resilience.</li><li>• Employed a Brexit/BC Consultant to support the BCG in discharging its duties.</li><li>• Liaising with neighbouring local authorities and multi-agency partners to share best practice.</li><li>• Promoting Business Continuity amongst internal staff, contractors and local businesses.</li><li>• Sign-posting residents to government web pages on Brexit.</li></ul>
<p>What else are we going to do in 2019/20?</p> <ul style="list-style-type: none"><li>• The Council is unable to reduce the risk of a No Deal Brexit occurring</li></ul>	<p>What else are we going to do in 2019/20?</p> <ul style="list-style-type: none"><li>• Continue to hold BCG meetings post No Deal Brexit.</li><li>• Continue to embed the Council's refreshed BC programme.</li></ul>

How and when will the risk be reviewed during 2019/20:

- The risk will be reviewed after the 29<sup>th</sup> March, when it will be known whether a No Deal Brexit has occurred.

**Responsibility for the risk**

Cabinet Member: Cllr Ash Edwards. . .

Management Team Member: Peter Stuart

Date of Assessment: 26 February 2019

### 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.