

MAIDSTONE BOROUGH COUNCIL

Cobtree Manor Estate Charity Committee

11th July 2012

REPORT OF THE COBTREE OFFICER

Report prepared by Joanna Joyce

1. COBTREE MANOR ESTATE – RISK MANAGEMENT

1.1 Issue for Decision

1.1.1 To consider if amendments need to be made to the Risk Assessment for the operation and management of the Charity.

1.2 Recommendation of the Cobtree Officer

1.2.1 It is recommended that the Risk Assessment documents attached as Appendices A and B to the report be endorsed.

1.3 Reasons for Recommendation

1.3.1 The Committee resolved to review the risks associated with the operation and management of the Charity on an annual basis.

1.3.2 The Risk Assessment document used in the past is attached at **Appendix A**. Officers have reviewed the document, modified it as necessary, and now recommend it for endorsement.

1.3.3 **Appendix B** is a Risk Assessment for the Master Plan project. Officers have reviewed the document, modified it as necessary, and now recommend it for endorsement.

1.3.4 The greatest level of activity generating most risk to the wellbeing of the Charity is the implementation of the Master Plan and the repayment of reserves that have been drawn down to pay for this. With careful financial and operational supervision of the project the risks should be minimized sufficiently to justify the improvements to the park that this will bring.

1.3.5 The second biggest risk to the wellbeing of the Charity is the operation and management of the Cobtree Manor Park Golf Course. The Partnership Board, which was put in place at the

1.8.2 There are no other implications outside the normal operations of the Estate Committee.

1.9 Relevant Documents

1.9.1 Appendices

Appendix A Risk Assessment May 2012
Appendix B master Plan Risk Assessment

1.9.2 Background Documents

Cobtree Manor Park Master Plan Report

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:

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Wards/Parishes affected:

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APPENDIX A

Risk Assessment May 2012

Risk Management: Scenario

Risk No.	Risk Type:	Vulnerability:	Risk:	Consequences:
1.	Strategic	§ Ability to fulfill the objects of the Charity.	§ Failure to fulfill objects.	§ Intervention by the Charity Commission. § Forfeiture of lease to Cobtree Charity Trust Limited.
2.	Governance	§ Appropriateness of decisions.	§ Conflict of interest with role of local authority.	§ Intervention by the Charity Commission. § Forfeiture of lease to Cobtree Charity Trust Limited.
3.	Operational	§ Contractor(s) performance of services.	§ Contractor defaults on the contract. § Inadequate staff resources. § Major breach of safety regulations/site not safe to allow public access.	§ Reduced visitor numbers. § Claims for compensation. § Long term damage to course. § Inability to maintain levels of service.
4.	Financial	§ Level of financial resources to maintain services.	§ Reduced income from golf course. § Reduced income from investments. § Adequacy of monitoring procedures. § Inability to pay back reserves.	§ Reduced investment in buildings and infrastructure. § Reduced endowment fund.
5.	External	§ Public perception of service provision. § Climatic conditions.	§ Poor or inappropriate publicity. § Extreme conditions leading to loss of play.	§ Reduced visitor numbers and revenue. § Increased vandalism and miss-use of facilities.
6.	Legal	§ Compliance with requirements of the Charity Commission. § Compliance with requirements of the lease.	§ Conflict of interest with role of local authority. § Failure to comply with requirements of lease.	§ Intervention by the Charity Commission. § Forfeiture of lease to Cobtree Charity Trust Limited. § Claims for compensation.

Risk Management – Risk Profile Assessment

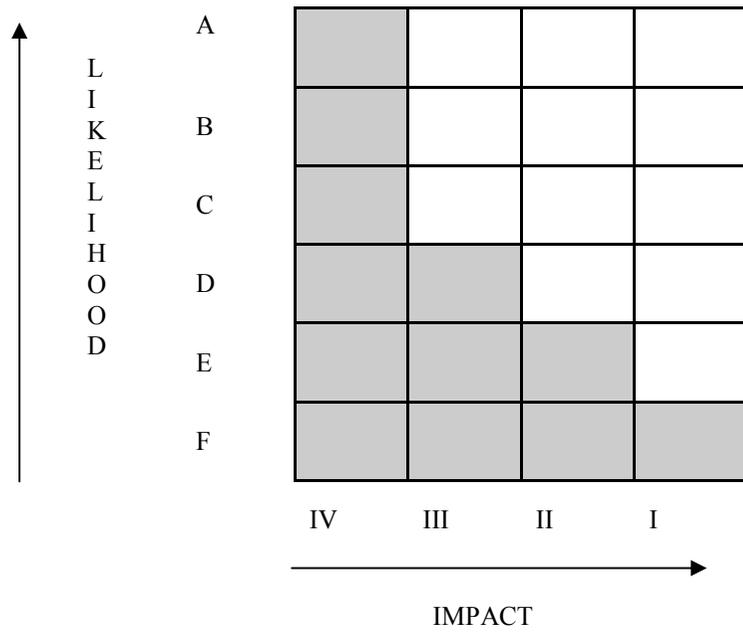
The risks have been mapped against a typical appetite for risk. The Assessment has been prepared in the context of the Charity's key objectives; with the risks, at this stage, having not been mitigated.

The **vertical axis** shows the **likelihood** of an occurrence:

A = very high; B = high; C = Significant; D = low; E = very Low and F = almost impossible

The **horizontal axis** shows **impact** of an occurrence:

I = catastrophic; II = critical; III = marginal and IV = negligible



Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
1.	Failure to fulfill the objects of the Charity.	E.I	F.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Requirement to consider objects when preparing reports for Committee.	§ Do not provide an audit trail.	§ Specific reference to charitable objects in all reports.	§ Cobtree Officer/ officers submitting reports.	§ Reference included in all reports.	§ Each meeting of the Committee.	§ Committee meeting dates.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
2.	Conflict of interest with the role of the local authority.	D.II	F.III

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
<ul style="list-style-type: none"> § Specific Committee to consider Cobtree issues in detail. § Memorandum prepared and distributed to all Members and Senior Officers. 	<ul style="list-style-type: none"> § Gives clear focus to Cobtree issues. § Reminds all Members and Officers to bear in mind special circumstances applying to Cobtree. 	<ul style="list-style-type: none"> § Reinforce separation whenever possible. § Reinforce separation whenever possible. 	<ul style="list-style-type: none"> § Cobtree Officer/ Council officers/ Members. § Cobtree Officer/ Council officers/ Members. 	<ul style="list-style-type: none"> § Separation acknowledged and reinforced. § Separation acknowledged and reinforced. 	<ul style="list-style-type: none"> § Annually. § Annually. 	<ul style="list-style-type: none"> § June/July. § June/July.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
3a.	Contractor defaults on the contract.	D.II	E.III

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Regular review meetings to develop partnership working and early identification of problems.	§ Ensures sensitivity to, and understanding of, operating environment.	§ Continue with regular meetings.	§ Contract monitoring Officer/ partnership Board.	§ Contractor performing to contract specification profitably.	§ Quarterly.	§ January, April, July and October.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
3b	Inadequate staff resources provided by contractor.	D.II	E.III

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Regular review meetings to develop positive working relationship and early identification of problems.	§ Ensures sensitivity to, and understanding of, operating environment.	§ Continue with regular meetings.	§ Contract monitoring Officer/ partnership Board.	§ Contractors staffing levels to required standard to meet customer expectations. § Ensuring management plan objectives are met.	§ Quarterly.	§ January, April, July and October.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
3c.	Major breach in safety regulations site not safe to allow public access.	D.II	F.II

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
<ul style="list-style-type: none"> § Regular meetings to monitor contractor performance. 	<ul style="list-style-type: none"> § Safety concerns discussed during partnership meetings. 	<ul style="list-style-type: none"> § Reinforce safety concerns at partnership meetings. 	<ul style="list-style-type: none"> § Contract Monitoring Officers/ Partnership Board. 	<ul style="list-style-type: none"> § No breaches in safety occur. 	<ul style="list-style-type: none"> § Quarterly. 	<ul style="list-style-type: none"> § January, April, July and October.
	<ul style="list-style-type: none"> § Individual risk assessments for all activities. 	<ul style="list-style-type: none"> § Regular review of risk assessments. 	<ul style="list-style-type: none"> § Contractor/ Contract Monitoring Officers. 	<ul style="list-style-type: none"> § Risks managed appropriately. 	<ul style="list-style-type: none"> § Annually. 	<ul style="list-style-type: none"> § March.
<ul style="list-style-type: none"> § Visual inspection by contract operatives as they carry out their duties. 	<ul style="list-style-type: none"> § Relies on contractor staff. 	<ul style="list-style-type: none"> § Regular inspections by monitoring staff. 	<ul style="list-style-type: none"> § Cobtree officer/ Council Officers. 	<ul style="list-style-type: none"> § No unsafe situations arise. 	<ul style="list-style-type: none"> § Quarterly. 	<ul style="list-style-type: none"> § January, April, July and October.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
3d.	Contractor receiving reduced income from Golf Course.	D.II	E.III

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Receive regular income reports from contractor.	§ Relies on contractor information.	§ Regular income reports to meetings of the Partnership Board.	§ Contract Monitoring Officer/ Partnership Board.	§ Income maintained at projected levels.	§ Quarterly.	§ On-going.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
4b.	Reduced income from investments.	E.III	F.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Investments with Chari-Fund.	§ Low risk option.	§ Monitor performance of Fund.	§ Corporate Finance Officer.	§ Good return on investments.	§ Annually.	§ March.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
4c.	Tenants defaulting on rental payments.	E.III	F.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Legally binding lease agreement permitting legal action to be taken if arrears accrue.	§ Fully drafted lease.	§ Monitor rental income receipts.	§ Corporate Finance and Property Procurement Officers.	§ Rent paid up to date.	§ Quarterly.	§ January 1 st § April 1 st § July 1 st § October 1 st

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
4d.	Adequacy of monitoring procedures.	C.II	E.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Regular monitoring of service standards and audit of customer survey responses.	§ Service standards maintained as per the contract.	§ Balance monitoring effort to level of risk.	§ Contract monitoring Officer/ Partnership Board.	§ Required customer satisfaction scores.	§ Quarterly.	§ On-going.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
5a.	Poor or inappropriate publicity.	D.III	F.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ None. § Newsletters are checked by the Cobtree Officer and the Communications team before going out.	§ Publicity is managed where appropriate.	§ Regular reporting of any known incidents or unwanted activities.	§ Contractor operatives/ contract monitoring officer/ Cobtree Officer.	§ No negative reports in the press or media. § Dealing with incidents as quickly as possible.	§ When required.	§ On-going.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
5b.	Extreme climatic conditions.	B.II	D.III

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Golf course closure procedure.	§ Minimises unnecessary wear and tear of greens and tees.	§ On-going review in response to anticipated threat.	§ Contractor/ Contract Monitoring Officer.	§ Minimal impact on course playability.	§ On-going.	§ On-going.
§ Enhanced maintenance operations.	§ Minimises unnecessary wear and tear of greens and tees and park.	§ On-going review in response to anticipated threat.	§ Contractor/ Contract Monitoring Officer.	§ Minimal impact on course playability and park usage.	§ On-going.	§ On-going.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
6a.	Conflict of interest with role of local authority.	C.II	F.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Separate Committee to consider items in detail.	§ Ensures a clear focus on Charity issues.	§ Need to reinforce to both Members and Officers the clear distinction between local authority and Charity issues.	§ Cobtree Officer/Senior Solicitor/Committee Members.	§ No blurring between the respective roles of the Council acting as local authority and as Charity.	§ On-going.	On-going.
§ Appointment of Cobtree Officer.	§ Provides clear separation of officer roles.	§ Reinforce independency of role.	§ Committee.	§ No blurring between the respective roles of the Council acting as local authority and as Charity.	§ Annually	December.

Risk Management: Action Plan

Risk No.	Description:	Current Risk Score	Target Risk Score
6b.	Failure to comply with the requirements of the lease.	E.II	F.IV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Lease requirements included as appropriate in reports.	§ Gives focus to property matters.	§ Review of Asset Management Plan.	§ Cobtree Officer.	§ Compliance with requirements of lease.	§ Annual.	§ July.