

APPENDIX I

Cobtree Manor Estate Risk Management Annual Review September 2015

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 income from golf course. § Reduced surplus at Kent Life. § Failure to re lease golf course and Kent Life at end of existing leases.	§ Reduced visitor numbers. § Claims for compensation. § Long term damage to course or park. § Inability to maintain levels of service. § Difficulty in re-tendering site in its present state. § Significant income pressure on charity. § Requirement for charity to operate sites itself. § Reduced income threatening remainder of charity's activities.
4.	Financial	§ Level of financial resources to maintain services.	§ Reduced income from investments. § Adequacy of monitoring procedures. § Inability to pay back reserves. § Reduced/insufficient income from café/car parking	§ Potential for sites to become derelict. § Reduced investment in buildings and infrastructure. § Reduced endowment fund. § Threat to staffing and ability to fund ongoing park management.
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 misuse 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

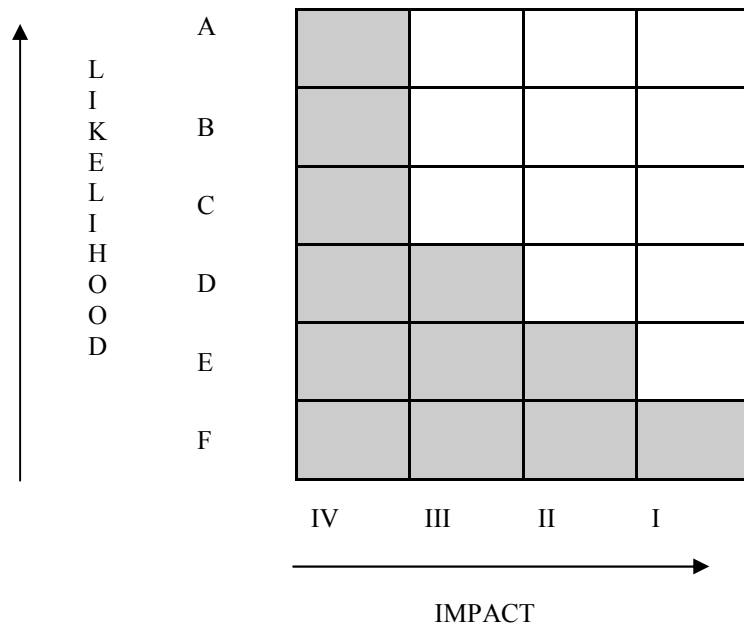
The risks have been mapped against a typical appetite for risk. The Assessment has been prepared in the context of the Charity's key objectives; with the risks, at this stage, having not been mitigated.

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: Strategic	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 No.	Description: Governance	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
§ Specific Committee to consider Cobtree issues in detail.	§ Gives clear focus to Cobtree issues.	§ Reinforce separation whenever possible.	§ Cobtree Officer/ Council officers/ Members.	§ Separation acknowledged and reinforced.	§ Annually.	§ June/July.
§ Memorandum prepared and distributed to all Committee Members and Senior Officers.	§ Reminds all Members and Officers to bear in mind special circumstances applying to Cobtree.	§ Reinforce separation whenever possible.	§ Cobtree Officer/ Council officers/ Members.	§ Separation acknowledged and reinforced.	§ Annually.	§ June/July.

Risk Management: Action Plan

Risk No.	Description: Operational	Current Risk Score	Target Risk Score
3a.	Contractor defaults on the contract (Golf Course, Kent Life, Maidstone Borough Services)	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. § Ensure controls relate to all contracts.	§ Continue with regular meetings. § Begin meetings with other contractors where necessary. § Identify appropriate action to be taken in the course of a contractor defaulting. § Ensure controls are adequate and instigate remedial action where insufficient.	§ Contract monitoring Officer/ Partnership Board/Cobtree Manager /Parks and Leisure Manager. § Cobtree Officer and Parks and Leisure Manager to identify contractors or areas requiring additional monitoring and appropriate actions.	§ Contractor performing to contract specification. Profitably.	§ Quarterly.	§ January, April, July and October.

Risk Management: Action Plan

Risk No.	Description: Operational	Current Risk Score	Target Risk Score
3b	Inadequate staff resources provided by contractor/council.	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/Cobtree Manager. § Cobtree Officer.	§ 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: Operational	Current Risk Score	Target Risk Score
3c.	Major breach in safety regulations or area 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
§ Regular meetings to monitor contractor performance.	§ Safety concerns discussed during partnership meetings.	§ Reinforce safety concerns at partnership meetings.	§ Contract Monitoring Officers/ Partnership Board.	§ No breaches in safety occur.	§ Quarterly.	§ January, April, July and October.
§ Individual risk assessments for all activities.	§ Individual risk assessments for all activities.	§ Regular review of risk assessments.	§ Contractor/ Cobtree Manager/Health and Safety Manager/Parks and Leisure Manager.	§ Risks managed appropriately.	§ Annually.	§ March.
§ Visual inspection by contract operatives as they carry out their duties.	§ Relies on contractor staff.	§ Regular inspections by monitoring staff.	§ Cobtree Officer.	§ No unsafe situations arise.	§ Quarterly.	§ January, April, July and October.
§ Written weekly and monthly inspection of play equipment	§ All equipment to meet BS standards and be independently inspected by Rospa inspector prior to use.	§ Operational concerns to be dealt with immediately by Parks Department				
§ Annual external insurance inspection for play equipment		§ Incidents monitored and recorded.				

Risk Management: Action Plan

Risk No.	Description: Operational	Current Risk Score	Target Risk Score
3d.	Contractor receiving reduced income from Golf Course, charity receiving less income following re-tender.	D.II	E.III

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
<ul style="list-style-type: none"> § Receive regular income reports from contractor. § Investigating re-tender using a leisure consultant to advise on suitable models. 	<ul style="list-style-type: none"> § Relies on contractor information. § Relies on advice from consultant. 	<ul style="list-style-type: none"> § Regular income reports to meetings of the Partnership Board. § Ensure re-tender allows contractors to invest for the longer term and to have flexibility in the use of the site. § Ensure a strategy is set up for successful re-tender. 	<ul style="list-style-type: none"> § Contract Monitoring Officer/ Partnership Board/Parks and Leisure Manager/Cobtree Officer. 	<ul style="list-style-type: none"> § Income maintained at projected levels. § Ability to allow contractor to diversify and invest over the long term. § Importance of being able to be flexible with future offer. 	<ul style="list-style-type: none"> § Quarterly. 	<ul style="list-style-type: none"> § On-going.

Risk No.	Description: Operational	Current Risk Score	Target Risk Score
3e.	Contractor failing to sign golf course contract for current period until tender process is complete.	AI	BII

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Negotiations on going with Contractor.	§ If a deal cannot be reached with the exiting operator they may be forced to leave the site before a new tender is secured.	§ Continue high level negotiation. § Ensure re-tender is prioritized. § Prepare plan to manage golf course in event of losing the contractor.	§ Parks and Leisure Manager. § Head of Commercial and Economic Development § Cobtree Officer	§ Income maintained at projected levels. § Golf course continuing to operate.	§ Monthly.	§ September 2015

Risk No.	Description: Operational	Current Risk Score	Target Risk Score
3f.	Failure to gain an operator to run Kent Life following the end of the present agreement.	DIII	EIII

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Current lease to November 2015.	§ Re-tender process is underway a consultant has been appointed and expressions of interest have been returned.	§ Ensure re-tender is prioritized.	§ Parks and Leisure Services Manager. § Cobtree Officer.	§ Re-tender in time for the end of existing lease. § Allowing sufficient flexibility in contract for fresh ideas to flourish and the site to continue to improve.	§ Monthly.	§ On-going. § Nov 2015

Risk No.	Description: Operational	Current Risk Score	Target Risk Score
3g.	Failure to successfully run visitor centre/café	CIII	EIII

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ New Manager and Catering Supervisor and Assistant appointed, additional casual staff recruited. § Building completed and operational.	§ Staffing resource is in place and building is fit for purpose.	§ Ensure adequate training of all new staff. § Set clear standards and goals from the beginning. § Ensure adequate financial control. § Set up suitable monitoring procedures.	§ Cobtree Manager § Parks and Leisure Manager § Cobtree Officer	§ Good customer service scores and mystery shop score achieved. § Facility is self funding and generates a surplus for reinvestment in the park § Green flag retained.	§ Quarterly	§ Cobtree Trust opening in October. § Quarterly finances and annual performance to be reported in July 2016

Risk No.	Description: Operational	Current Risk Score	Target Risk Score
3h.	Poor operation of car parking charges leading to poor public perception and reduced visitor numbers	DII	EIV

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Marketing information gone out in the car park advising of charges coming. § Signage confirms income raised is reinvested in the park. § Car park to be operated by existing experienced MBC team.	§ Ensure a clear communications plan is in place in advance of when charging is introduced.	§ Ensure benefits for those paying for parking eg special offers. § Ensure improvements to the park as a result of income from car parking are well advertised. § Ensure permits are easy to obtain.	§ Cobtree Manager. § Cobtree Officer	§ Benefits to visitors are clear. § Reduction in visitors is kept to a minimum. § Car park is well managed. § Complaints are minimized. § Visitor numbers are stabilized and back to current amount within 3 years.	§ Quarterly.	§ September 2015 § September 2016 § September 2017 § September 2018

Risk Management: Action Plan

Risk No.	Description: Financial	Current Risk Score	Target Risk Score
4a.	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 No.	Description: Financial	Current Risk Score	Target Risk Score
4b.	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: Financial	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 and procurement Officers.	§ Rent paid up to date	§ Quarterly.	§ Jan 1 st , April 1 st , July 1 st , October 1 st

Risk No.	Description: Financial	Current Risk Score	Target Risk Score
4d.	Receiving insufficient income from café/car parking to cover operational costs	CII	EII

Controls already in place	Adequacy of controls	Required action	Responsibility	Critical success factors	Review period	Key dates
§ Budget monitoring set up. § Cobtree Manager to oversee all financial operations in the park assisted by the Cobtree Accountant. § Visitor numbers monitored.	§ Income/Expenditure is carefully monitored. § Manager and staff all experienced and qualified to give new venture best start possible. § New facilities of a high standard	§ Regular customer satisfaction surveys to be carried out. § Finance updates brought to each committee to include monitoring of new ventures.	§ Cobtree Manager. § Cobtree Accountant. § Parks and Leisure Manager. § Cobtree Officer.	§ Income builds gradually to a sustainable level that makes a significant positive impact of park running costs. § Good customer satisfaction scores. § After 2 years it should be clear if the venture is a success.	§ Quarterly.	§ 1 st August 2015 § 1 st August 2016 § 1 st August 2017

Risk Management: Action Plan

Risk No.	Description: External	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
§ Newsletters are checked by the Cobtree Officer and the Communications team before going out. § Newspaper articles are monitored by the communications team.	§ Publicity is managed where necessary.	§ Regular reporting of any known incidents or unwanted activities. § All posters etc to use correct communications scheme. § Comms to advise on all public information including websites, social media, posters etc.	§ Cobtree Officer. § Cobree Manager.	§ 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: External	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: Legal	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 Cobtree Officer role.		§ No concerns from Charity Commission or independent auditor..	§ Annually	§ December (Annual Report).
§ Annual Report to Charity Commission.	§ Monitors each of these.					
§ External Auditors.						

Risk No.	Description: Legal	Curre.nt Risk Score	Target Risk Score
6b.	Maidstone Borough Council acting as corporate Trustee of the charity fails 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
<ul style="list-style-type: none"> § Lease requirements included as appropriate in reports. § Objects of the charity included in all reports. § Cobtree Officer regularly meets with the Cobtree Trust. 	<ul style="list-style-type: none"> § Ensure estate is run in accordance with the charity's aims. § Gives focus to management and property matters. 	<ul style="list-style-type: none"> § Annual Reports are submitted to the Charity Commission. § Recommendation of auditors are followed. § Review of Asset Management Plan. 	<ul style="list-style-type: none"> § Cobtree Officer § Cobtree Accountant § Parks and Leisure Manager § Property section. 	<ul style="list-style-type: none"> § Compliance with requirements of lease. 	<ul style="list-style-type: none"> § Annual. 	<ul style="list-style-type: none"> § December § July.