

CHERWELL DISTRICT COUNCIL

STRATEGIC RISK REPORT TO THE ACCOUNTS, AUDIT AND RISK
COMMITTEE

17 DECEMBER 2008

Risk No: F01.0398	Failure to adapt to the economic issues and pressures in the District
Risk Category:	S2. Economic
Responsible Officer	Strategic Director Planning, Housing & Economy
Risk last reviewed:	Autumn 2008
Risk detail	General economic conditions create a more or less favourable backdrop to Council activities
Any amendment to the nature of the risk?	No
Consequence	Not applicable
Gross rating before controls	Severity 4 (Major) x Probability 4 (Probable) = 16 (Red)
Control descriptions in full, with details of the effectiveness of each control:	<p>The Council works in partnership on immediate and longer term economic development issues. The details of the partnership approach are set out in the Economic Development Strategy. This is “owned” by both the Cherwell Community Planning Partnership and the Council. It also links to the work of the formal South East Economic Development Agency (SEEDA) through its recognised sub regional partnership body (Oxfordshire Economic Development Partnership).</p> <p>This partnership work can have only limited “control” over the influences of global and national economic change on the local economy and our services. The focus has to be on realistic adjustment or mitigation.</p> <p>There are also organisation specific controls applied by the Council at service / business level - in the form of performance management reporting and detailed service and financial planning processes and actions.</p>
Any changes to the controls?	No
Net rating after controls	Severity 3 (Moderate) x Probability 4 (Probable) = 12 (Amber)
Report of the Strategic Director Planning, Housing & Economy:	<p>Circumstances in respect of external economic conditions have changed dramatically since previous reports on this risk.</p> <p>There are some significant impacts on the Council’s services and performance that are now being reported in detail in service and financial planning and performance reports.</p>

	<p>In summary:</p> <ul style="list-style-type: none">• Inflation impacts are changing• Costs in some areas are rising• Income in some areas is declining• There are serious impacts in the housing, property development/regeneration and waste disposal/recycling sectors <p>The local economy is also showing impacts, with unemployment, insolvency and benefits claims evident.</p> <p>The situation needs to be carefully monitored. Some significant strategy changes will be needed. National policy changes will be the key trigger if significant action is to be taken locally. Opportunities in this respect will emerge gradually.</p> <p>Executive has received full reports on budget and specific service issues for CDC.</p> <p>CCPP will be considering a report on Economic Development Strategy responses in February 2009.</p> <p>Executive will be examining emerging housing issues in January 2009.</p>
Signature & Date:	John Hoad 03.12.08