



Dorchester Town Council

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14 November 2018

Agenda for the meeting of the **Policy Committee** which will be held in the **Council Chamber, Municipal Buildings, Dorchester** on **Tuesday 20 November 2018** at **7.00pm**.

Adrian Stuart
Town Clerk

Public Speaking at the Meeting

The Chairman has discretion to allow members of the public to speak at the meeting. If you wish to speak please ask the Chairman before the meeting starts. We ask speakers to confine their comments to the matter in hand and to be as brief as is reasonably possible.

Member Code of Conduct: Declaration of Interests

Members are reminded that it is their responsibility to disclose pecuniary or non-pecuniary interests where appropriate. A Member who declares a pecuniary interest must leave the room unless a suitable dispensation has been granted. A Member who declares a non-pecuniary interest may take part in the meeting and vote.

Membership of the Committee

Mayor D. Taylor and Councillors B. Armstrong-Marshall, R. Biggs, A. Chisholm, T. Harries, S. Hosford, G. Jones (Chairman), T. Jones and P. Stein.

1. Apologies, Declarations of Interest & Signing of Minutes
To sign Minutes of the meeting of 18 September 2018, adopted by Council on 25 September 2018.
2. Financial Update at 31 October 2018 **A**
3. Transfer of Services and Assets **B**
4. Dorchester Railway Stations Access Issues **C**
5. Dorchester Ballet Club **D**
6. Utility Cost Reduction **E**
7. Risk Register 2018/19 **F**
8. To appoint two members to the New Council Governance Task and Finish Group
9. Public Bodies (Admission to Meetings) Act 1960
RECOMMENDED "That in view of the fact that publicity would be prejudicial to the public interest by reason of the confidential nature of the following matters the public and representatives of the press be excluded from this meeting during their discussion".
10. To receive a verbal report from the Town Clerk regarding possible Affordable Housing initiatives

DORCHESTER TOWN COUNCIL

POLICY COMMITTEE – 20 NOVEMBER 2018

FINANCE REPORT AT 31 OCTOBER 2018

1. Summary of Current Position

- Month 7 spend (Appendix 1) £34k below profile – underspend has been static for several months
 - £18k saving on Outdoor Services staff salaries
 - Below profile spends on Outdoor maintenance and Equipment maintenance

2. Cash Position at 31 October 2018

£000

- | | | |
|------------------------------------|--------------|-------------------------|
| • Lloyds Bank | 914 | Nil interest |
| • Payden Global | 1,000 | c. 0.50% return |
| • National Savings and Investments | 5 | 0.70% interest |
| • Total Cash | 1,919 | (31 Aug £1,374k) |
- The Town Councils partnership that contracted Arlingclose as our treasury advisor has been dissolved and the contract with Arlingclose will end in the new year
 - £250k moved from Lloyds to NS&I on 9 Nov

3. Debtors & Payments

- Debt over 30 days = £727, 3 debtors (30 Jun £638, 2 debtors)
 - Payments list 1 September – 31 October 2018 on website. Supporting vouchers can be inspected during normal office hours
- RECOMMENDED** that the Payments list, totalling £230,625.14 is approved

4. Audit

- External Audit of Annual Return 2017/18
 - Audit completed with no amendments, available on our website
 - **RECOMMENDED TO COUNCIL** that the certificated Annual Governance and Accountability Return for year ended 31 March 2018 is approved and accepted
- Internal Audit 2018/19
 - First Internal Audit report attached at Appendix 2
 - **RECOMMENDED** that the Internal Audit report and our response is noted

5. Other Matters Arising

- **Election Costs 2019** - Shadow Dorset Council reconfirmed 3rd tier Councils need to meet costs in May 2019 – initial estimate ieo £18,500 inc £7k for Poll Cards
 - General Reserve to be used to meet the costs rather than put in a one-off budget
- **Dorchester Town Community FC** - Cash Flow loan of £30,000 repaid 5 November
- **WDDC Free Car Parking in lieu of Christmas Lights contribution of £3,000**
 - DBiD have agreed extra £1,500 contribution, limiting our extra cost to £1,500
 - WDDC have agreed a DBiD request for 4 fee parking in run up to Christmas, costing them more than £3,000 in lost income

Adrian Stuart Town Clerk

MANAGEMENT REPORT AT 31 OCTOBER 2018

By Spend Type	Budget £000	Profile £000	Actual £000	-Under/Over £000
Staff	701	409	389	-20
Capital Financing	46	40	40	-0
Other Payments	474	299	290	-9
To Specific Reserves	163	163	164	1
Income	-173	-91	-98	-7
Net Budget	1,211	820	785	-35

By Service	Budget £000	Profile £000	Actual £000	-Under/Over £000
Allotments	-5	1	2	0
Parks & Open Spaces	135	111	105	-6
Cemeteries	-13	2	-0	-2
Corp. & Dem. Manage.	35	21	21	-0
Cultural & Twinning	41	21	26	4
Municipal Buildings	145	120	122	2
Other Services	91	73	67	-6
Office Team	375	226	222	-4
Outdoor Services	406	245	223	-22
Net Budget	1,211	820	786	-34

Earmarked Reserves with budgeted Expenditure In Year	Budget £000	Profile £000	Actual £000	-Under/Over £000
Borough Gardens	29	29	29	0
Municipal Buildings	0	0	0	0
Play Equipment	8	8	0	-8
Vehicles and Equipment	15	0	0	0
Cemeteries	205	5	3	-2
Walks, Trees & Public Realm	75	15	12	-3
Art Festival	12	12	12	0
Corporate Projects	319	200	202	2
Net Budget	663	269	258	-11

Appendix 1 – Recommendations and Action Plan

Rec. No.	Detail	Pr	Management Response	R.O.	Date
5.1 – Weymouth Avenue Pavilion lease	<p>The Town Council has leased the Weymouth Avenue Pavilion to the Dorchester Cricket Club as part of moves to allow the club to become self-funding, and to take on full responsibility for all of the running costs of the pavilion and cricket pitch. The related lease agreement has not yet been signed.</p> <p>While the lease remains unsigned, there is a risk that parties have not formally agreed in writing all terms and conditions relating to the transfer, and that some obligations on the tenant may not be clear. This increases the risk of costs remaining with the Town Council.</p> <p>I recommend that both parties sign the lease agreement as soon as possible.</p>	M	Agreed. Lease delays due to progress towards the Club taking no the square and modifications for the Boxing Club.	SN	31 Dec 2018
5.2 – Bowls club charges	<p>I checked a sample of income streams to confirm that the prices charged agreed with the rates set by Council. I found that one sample (a lease with the Bowls Club) had been calculated as running from 2015, with RPI applied to price increases. The related deed indicates that the agreement runs from 2014 and that CPI should have been applied.</p> <p>I recommend that the amounts due are recalculated according to the terms of the agreement, and that the Council issues an invoice for the net amount due.</p>	M	The sums involved are small. CPI will be used from 2019 onwards	NH	31 Jan 2019
5.3 – Inflationary increase calculations	<p>The original calculations for the inflation applied to agreements have not always been retained. This can make it difficult to establish retrospectively that increases have been properly calculated.</p> <p>I understand that the Finance Officer now keeps a record of the inflationary increase.</p> <p>I recommend that this spreadsheet be kept updated and is retained in order to improve the audit trail.</p>	L	Agreed	NH	31 Oct 2018
5.4 – Hanging basket and planter inflation	<p>The Council charges a contribution for the hanging baskets which it supplies to the Dorchester BID and to other third party customers. The price of the baskets to third party customers is based on a £50 charge (in 2015) which has been increased by RPI inflation. The charges are then rounded to the nearest 50p. The rates used do not always run consecutively (e.g. one year the price was calculated up to April 2017; the next was calculated from July 2017).</p> <p>I recommend that the inflation calculation uses the same start RPI as the end RPI used in the last calculation, in order to ensure that the Council recovers a fair proportion of the costs.</p>	L	Noted, although the charge will always be rounded to the nearest 50p, and is subject to agreement, not inflation	NH	31 May 2019
5.5 – Consider price of services delivered for third parties	<p>The Council carries out grass and verge cutting on behalf of Dorset County Council. The charge levied for the grass cutting for 2017/18 (paid in June 2018) was the same as that charged in 2015/16. Inflation has seen many of the costs of providing the service increase over the last two years.</p> <p>I recommend that the Council considers whether or not to set a higher charge for future years, in order to ensure that it continues to cover its costs.</p>	L	Accepted that we will review our charge but the charge is a matter of negotiation, not inflation	CD	30 Nov 2018
5.6 – Market instalments	<p>The Council receives quarterly instalments in relation to its share of the net income from the Dorchester Market. Following an overpayment in prior years, the Council was holding £9.8k of funds at the end of 2017/18 relating to future market profits. The Council has not received</p>	L	Accepted	AS	30 Nov 2018

	<p>any quarterly instalments this year to date, but there has been no communication from West Dorset District Council (the other partner) so it is not clear whether funds have not been remitted because last year's credit balance has been offset against this year's income predictions and no further funds are due at the present time, or because the regular transfer has been omitted in error.</p> <p>I recommend that the Council contact WDDC in order to confirm the timing and value of instalments for 2018/19.</p>				
5.7 – VAT code for leases with no option to tax	<p>The Council is currently using the T0 VAT code (zero rated supplies) in relation to income from the Borough Gardens flat. Where the owner has opted not to tax, the supply is usually treated as exempt (normally T2 on Sage). Exempt supplies are currently rated 0%, but there are restrictions about what VAT may be recovered on related purchases.</p> <p>I recommend that the Finance Officer checks the VAT coding and ensure that it is correct.</p>	L	Agreed	NH	30 Nov 2018
5.8 – VAT codes on Sage	<p>The Council's version of Sage uses non-standard T codes for its VAT. The system has been configured to have e.g. T2 (normally exempt VAT @ 0%) as an 8% code. 5% VAT is coded to T4. Unless the related VAT return has been reconfigured as well, there is a risk that the VAT analysis provided by Sage to support the VAT return is incorrect.</p> <p>I recommend that the Finance Officer reviews the current configuration and considers reverting to traditional Sage T codes. Note that this may mean amending the default VAT code on related customers, suppliers, and certain types of bank receipts and bank payments.</p>	M	Agreed	NH	31 Mar 2019
5.9 – Update discounted hirers list	<p>The Council has a list of hirers in receipt of discounted charges. The list is agreed annually by Members, in order that they have clarity over the rates negotiated by staff under delegated authority.</p> <p>The Council hired out the Borough Gardens for two weeks to Dorset Art Weeks, and charged a discounted rate. This is the first year that the DAW has hired the venue (in previous years they exhibited at the Museum). I understand that the Photography Club has a similar exhibition. Neither hirer appears on the current list of discounted hirers.</p> <p>I recommend that Dorset Art Weeks is added to the list of discounted hirers, along with any other similar customers in receipt of discounted rates.</p>	L	Agreed, subject to DAW continuing in 2019	AS	31 Jan 2019
6.1 – All expenditure lines on the cash payments sheet to be initialled to evidence check	<p>I tested two petty cash sample sheets in order to confirm that expenditure is supported by VAT invoices/receipts, and VAT is reclaimed where possible. I found receipts were on file for all expenditure apart from a periodic contribution to the staff tea/coffee fund (£5), and a lunch expense claimed by a member of staff who was working away on business and for which no receipt was issued (£3). VAT was correctly claimed where appropriate receipts were provided.</p> <p>The Council receipts and cash payments form (which notes all cash and cheque receipts for Council services, and petty cash expenditure, over a 2 week period) still appears to be operating effectively to provide a good audit trail for cash income, cash expenditure, and net bankings. All expenditure is normally initialled by the Finance Officer and Town Clerk once</p>	M	Agreed	NH/ AS	31 Oct 2018

	<p>they have checked that the expenditure is supported by receipts and relates to Council business. However, 5/15 lines of expenditure in the first sample were not initialled by both officers due to an administrative oversight. The total amount banked had been calculated by the Finance Officer, and counter-signed by the Town Clerk, indicating that the related expenditure had been tacitly approved. The individual payments are also separately reported to Members every two months as part of the payments list that goes to Policy Committee.</p> <p>I recommend that all individual lines of expenditure on the receipts and cash payments form are initialled by the Finance Officer and Town Clerk in order to ensure that all cash expenditure is properly controlled and approved.</p>				
6.2 – Minimisation of Council expenditure incurred by staff; and use of expense claims	<p>I found that several items of expenditure paid out of petty cash related to expenses incurred by staff and subsequently reimbursed. Ideally, as much Council expenditure as possible should be processed either through the creditors ledger (on invoice), or using the Council credit card. Where staff have no option but to incur the expenditure first, expenses of this nature should be claimed via expense forms. Such forms require that staff sign and date the claim (self-certifying that the claim is accurate and relates to genuine Council business), and that the relevant line manager (or, in the case of the Town Clerk, the Chairman of Council or other appropriate Member) counter-signs and dates the form to evidence that the claim has been checked for accuracy.</p> <p>I recommend that the Council minimises expenditure incurred by staff, and considers using expense forms for reimbursements of expenditure, in order to improve the control environment.</p>	M	The sums involved are small as all items over £20 are separately authorised. We will look at minimising the number of such claims but the sums involved do not justify separate forms.	NH	31 Dec 2018
6.3 – Approval of Town Clerk expenses	<p>If the Council is not minded to introduce expense forms, I recommend that any expenditure incurred by the Town Clerk is counter-signed by an appropriate Member to ensure approval is delegated to a line manager for all expense claims.</p>	M	The sums are small. The Deputy Town Clerk is authorised to sign	-	-
6.4 – Obtain separate receipts for Council expenditure	<p>I found that two of the expenses were supported by receipts which were for a different (higher) amount of money. Where staff are making purchases on behalf of the Council, these should not be mixed with personal expenditure.</p> <p>I recommend that separate receipts are obtained for Council expenditure in order to improve the audit trail.</p>	L	Accepted. Staff will be advised and the rule will be applied as a general rule.	NH	31 Nov 2018
6.5 – Correct analysis on PC sheet	<p>I carried out a count of the petty cash tin on 25/09/18. I found that the value of monies held in the tin agreed to the relevant 'receipts and cash payments' sheet, and that all expenditure was supported by receipts. The draft receipts and cash payments sheet had one item of income which had been incorrectly analysed as an expense. The Finance Officer corrected this, and explained that the error would have been identified when the sheet was totalled up prior to banking.</p> <p>I recommend that care is taken to ensure that income and expenditure is correctly analysed on the sheet.</p>	L	Noted	-	-

DORCHESTER TOWN COUNCIL
POLICY COMMITTEE – 18 SEPTEMBER 2018
TRANSFER OF SERVICES AND ASSETS

SERVICE AND ASSET TRANSFERS BY WEST DORSET DC

1. Discussions are now concentrated on a single item, Dorchester Market Charter.
2. WDDC initially informally indicated a willingness to transfer the Charter provided it has no financial detriment to them.
3. The Town Clerk has produced a draft Memorandum of Understanding to deal with the practicalities of transferring management of some aspects of the Charter (Appendix 1).
4. A response from WDDC is awaited.

Adrian Stuart
Town Clerk

DORCHESTER MARKET

DRAFT MEMORANDUM OF UNDERSTANDING

BROAD PRINCIPLES

1. A Market has existed in Dorchester for over 1,000 years, managed by the local public bodies for the benefit of the town and surrounding area. Both parties commit to sustain and where appropriate increase market activity in the town, using current assets or future equivalent assets
2. The Market Charter transfers to the Town Council recognising the town's historic rights
3. Both the Town Council and West Dorset DC/Dorset C continue to receive net incomes from the recognised market-related assets in the proportions laid out in the 1984 agreement

DORCHESTER TOWN COUNCIL will

4. Manage appropriate governance arrangements, as agreed by WDDC/DC
5. Manage the accounts for the Market
6. Distribute grants from the Sunday Car Boot in line with existing arrangements
7. Work with Market operators to enhance the Markets
8. Develop a long term strategy to ensure that Markets remain relevant to the needs of the town and surrounding area

WEST DORSET DC/DORSET C will

9. Manage and maintain certain property assets, the net profits from these assets being transferred to the Town Council for distribution

CONCERNS

10. WDDC wish to establish that DTC will continue to deliver the market – in the event that DTC choose to close the Market the Charter and operations will return to WDDC/DC
11. WDDC wish to ensure that any changes to the Markets continue to benefit both parties in line with the current agreement – the net income from any new or additional markets will be distributed in line with the current agreement
12. DTC wish to ensure that suitable sites will always be made available free of charge for the continued delivery of Markets in the town centre – in the event that WDDC/DC wish to reuse the current sites for other purposes they will provide an equivalent site fit for Market purposes

CURRENT ASSETS are

13. Fairfield Market site, with all incomes generated on Wednesday and Sunday, plus all incomes generated from structures within the Fairfield Market
14. The Corn Market (Dukes) and Fairfield Market Café buildings
15. The Corn Hill (Town Pump) Market
16. Incomes from other Markets, currently being the Saturday Farmers Market and Rival Market Licences

AS

31 October 2018

DORCHESTER TOWN COUNCIL
POLICY COMMITTEE – 20 NOVEMBER 2018
DORCHESTER STATIONS ACCESS ISSUES

Dorchester West Station Access Ramp

1. A report regarding the background to the Access Ramp project was provided to your 19 September 2017 Committee. The priority at that time was to resolve issues relating to the gradient of the ramp.
2. Since then County colleagues have resolved the design of the ramp, as well as issues relating to the construction contract and the necessity for planning permission, most recently dealing with the issue of funding.
3. As at 12 November the position is:
 - Network Rail will submit a planning application
 - NR will then procure and manage a contract to deliver the ramp
 - NR have also agreed to meet additional costs to deliver the project, on the basis that it will be delivered in this financial year. The current target date is therefore 31 March 2019.

Dorchester South Station Access Issues

4. For some time there have been calls to improve access between platforms at South station. Access is currently by a footbridge, which is impassable for many disabled users and also indeed some able-bodied users. The alternative route to town for users arriving from the Poole direction is an 800m detour via Monmouth Road and Weymouth Avenue.
5. The Brewery Square planning application delivered a s106 agreement that aimed to improve
 - Circulation on Station Road, including parking and bus interchange – completed
 - The Station building, probably a replacement, and the removal of the Parcels Office
 - Access between platforms
6. C. £1 M was reserved for these items, in itself insufficient to carry out all the elements. Two items required both funding from NR and their active involvement in delivering the works.
7. NR have previously considered improve the station and platform access to be lower priority to other stations within the network. Recent discussions between WDDC, BSL and South Western Railways have, however, led to the submission of a NR/SWR sponsored grant application to NR's Access for All scheme, with letters of support coming from the Town Council and the Dorchester Access Group that we support. Some of the remaining s106 funding balance has been allocated to support the application. Works under the scheme would focus on improving access between the platforms and access between the Station and ground level.
8. Discussions continue regarding the potential for using the remaining s106 balance to improve the station building itself, but it is unlikely that this will now deliver a new building.

Adrian Stuart Town Clerk

DORCHESTER TOWN COUNCIL**POLICY COMMITTEE – 13 NOVEMBER 2018****DORCHESTER BALLET & DANCE**

1. Dorchester Ballet & Dance, a not for profit community organisation, celebrates 60 years of operation in 2018. It supports 200+ students to take 400 classes per week, many students receiving discounted or free classes. During its life it has not had a permanent base, its numerous sites including Grey School Passage and The Maltings.
 2. The Club currently occupies a small, low grade industrial unit on the Poundbury Industrial Estate. Its activity limits the rent it can afford, so the Club has limited ability to develop and become stable. It currently has significant capacity issues.
 3. The Club describe their needs as being:-
 - Good access for parent drop offs and parking
 - Within walking distance to local schools
 - Away from residential buildings due to their noise issues, primarily associated with tap classes (possibly overstated)
 - A building, or land on which to construct a building, that can be occupied exclusively by the Club on a long term (60 years)/permanent basis
 - A wish for a second studio, the building would be 12 x 26 metres, single storey
 4. The Club has looked for a permanent base for some time. It had anticipated moving to The Maltings, but cannot pay a commercially viable rent. It has explored options at the Sawmills site (our lease is too short for a loan on a new building and parking is becoming increasingly problematic) and The Great Field (construction standards and distance from drop off points), but these have not proved feasible.
 5. The Club has c. £80,000, would be eligible for s.106 support and the Community Development Officer is also seeking opportunities for grant support. A new building has been costed at £250 - £300,000. The Club could service a modest loan within its revenue budget, consistent with its current rent.
 6. Informal discussions have taken place regarding a potential structure on Sandringham Car Park (freehold owned by the Town Council) or attached to the Bowls Club to reuse redundant sports changing/storage rooms (freehold owned by the Duchy, long lease to the Town Council and on to the Bowls Club). The Club wish to explore these options further.
 7. The Car Park is used primarily for the benefit of Bowls Club members, with secondary uses for the Rifle Club, a petanque court and youth football at weekends during the season. A temporary arrangement has also been made for motorcycle training. Early views are that a building could be accommodated with some changes to current use.
 8. It is **RECOMMENDED** that options are explored to facilitate a permanent base for Dorchester Ballet Club within the Sandringham Car Park area.
- Adrian Stuart Town Clerk

DORCHESTER TOWN COUNCIL**POLICY COMMITTEE – 20 NOVEMBER 2018****UTILITY COST REDUCTION - BATTERY OPERATED GROUNDS MAINTENANCE EQUIPMENT AND SOLAR POWER**

1. Over the last few years the Council has progressively reduced its consumption of mains water, gas and electricity. The primary focus has been financial savings but there is also an important environmental benefit to such work. There are limited options to reduce cost and consumption in our buildings further.
2. All of the Council's grounds maintenance equipment and vehicles are currently petrol/diesel powered. The Council's Depot and the Weymouth Avenue Recreation Pavilion largely rely on an electric supply for their mains power.

Battery-powered Equipment

3. The Outdoor Services Team have been testing battery powered equipment to replace ageing units. The new equipment (strimmers, hedge trimmers, blowers and mowers) is lighter, safer, cheaper to maintain, replace and power – purchase costs are likely to be slightly higher than traditional equipment. The tipping point in favour of battery operated equipment has now been reached. A quantity of new equipment will be purchased shortly as part of the normal Equipment Replacement plan.

Electric Vehicles

4. The Council typically replaces 1 of its 5 pick-up vehicles every 18 months with one being due for replacement in late 2018. Following research and discussions with another Council the decision has been taken to purchase a battery operated vehicle for the first time. Initially this vehicle will be used in the Borough Gardens but opportunities will be taken to evaluate its wider use across the town. The purchase price, at £13,500 and already budgeted for, is comparable to a traditional replacement but ongoing maintenance costs are lower, the key cost being battery replacement.

Solar Power

5. Both of the above open up opportunities regarding where the power to charge batteries might come from. Additionally conversations have been taking place with both Dorchester Cricket Club and Dorchester Town Community Football Club about their energy costs, leading on to discussions about how solar or other green initiatives might assist them to reduce their electricity costs.
6. The Town Clerk has received advice from DCC's Renewables Team and held discussions with a Dorchester-based solar energy consultant, Wessex Eco Energy regarding the potential for use of solar. All of the buildings identified above are considered suitable for a solar solution, with detailed reports being prepared on each.
7. The business case for solar currently relies on the recovery of feed in tariffs, a payment from the Energy sector for each unit of energy generated, plus reduced electricity bills when the energy generated is used within the building rather than requiring energy from the main grid.

The unit price of electricity is also a factor. Routinely the capital cost of solar can be recovered over roughly a ten year period, with feed in tariffs for the remaining life of the panels creating a, often significant, surplus. Over a 20 year period the return is likely to be 5 – 7% of the sum invested, as these buildings are unlikely to be heavy consumers of the energy generated.

8. The business case becomes much weaker after 31 March 2019, when Feed in Tariffs will be removed, inevitably at a time when providers are busy fulfilling last minute order books. If the Council wishes to pursue solar on its buildings it needs to act quickly.
9. Financial Regulation 9.2, supported by Regulation 10.8 requires that “as far as reasonable and practicable that the best available terms are obtained, usually by obtaining three or more quotations from appropriate suppliers”. Regulation 10.3 requires the Council to comply with the Public Contracts Regulations 2015 for all orders over £25,000, although this is a self-imposed limit.
10. Dorchester Town Community Football Club have been considering the opportunity to install solar on their roof at The Avenue Stadium. They already have one quote for works and are in discussion with Wessex Eco Energy to receive a second quote. The sum involved, possibly £50,000, may be greater than their available resources and there may be an opportunity to make a loan, with interest, to the Club secured against future FIT payments.
11. It is **RECOMMENDED** that
 - Due to the short time available before Feed In Tariffs are removed, and also because of the availability of a local provider, a package of Solar Panel works at Louds Mill Depot and Weymouth Avenue is commissioned from Wessex Eco Energy, in total not exceeding £25,000, to be funded from the Council’s Corporate Projects Reserve
 - A loan of up to £50,000 be made available, at 5% interest, to be secured against future FIT payments, should Dorchester Town Community Football Club need to borrow to install solar panels

Adrian Stuart
Town Clerk

DORCHESTER TOWN COUNCIL**POLICY COMMITTEE – 20 NOVEMBER 2018****STRATEGIC AND OPERATIONAL RISK REGISTERS – ANNUAL REPORT**

1. The Council manages its risks through a process that concludes in an annual risk review report presented to Policy Committee. The Council's adopted Risk Management Policy, which details the methodology used to assess the risks being faced by the Council, is attached at Appendix 1.
2. The Council's Risk Registers currently hold seven risks classified as 'high' and eighty seven risks classified as 'medium', as assessed in accordance with the Council's adopted Risk Policy. The whole register is available from the Deputy Town Clerk.
3. Four high level risks were lowered to medium following comments made by the Committee last year. These risks related to unorganised bonfires and fireworks taking place mainly at Elizabeth Place; it was felt that these risks were overstated and could be reduced. The Committee also agreed that a new high level risk associated with the failure to implement the new Data Protection Regulations by May 2018 be added to the Register.
4. Appendix 2 to this report identifies, for review, the seven 'high' strategic and operational risks being faced by the Council. It is proposed that three of these risks now have their scores lowered.
5. As well as reviewing the highest risks the Committee is asked to identify any new risks it feels should be included within the Registers, with an appropriate score.
6. Previous Risk Management Plans have referenced a structured approach to taking advantage of Opportunities. The Council's current financial position allows it to adopt a more flexible approach to the taking of opportunities as they arise, rather than needing to manage them in a structured way. The Plan has therefore been refocused on the management of negative risk.
7. It is **RECOMMENDED TO COUNCIL**
 - i) That the assessed high level strategic and operation risks be approved.
 - ii) That any new risks identified at the Committee be included within the registers.
 - iii) That the strategic, operational and opportunity risk registers, as a whole, be approved.

Steve Newman
Deputy Town Clerk

1. INTRODUCTION

Risk can be defined as the 'uncertainty of an outcome', primarily relating to a negative threat to business plans or activities. The effective management of risk is a key issue for the success of any organisation or activity, for in many cases it is only by taking risks that progress is made. The importance is to understand the risks that are inherent in a decision. A structured approach to risk management can achieve this by enabling the decision to be made against a background of better information about the potential outcome of a particular course of action. The Town Council has adopted a structured approach to Risk Management.

2. AUDIENCE

This Policy is intended as the primary guidance to the Council and senior management but is made available to all employees.

3. STAKEHOLDERS

It is important to involve stakeholders in the risk management process as this will give access to the widest possible range of views about the potential threats and opportunities affecting the Council and its services. A stakeholder in this context is an organisation or individual who can affect, or is affected by decisions of the Council. Stakeholders will change depending on whether the risk is project-related or more general, but Councillors and senior management will always be involved.

4. AIMS & BENEFITS

The aim of this policy is to develop an awareness of the benefits of risk management within the Council. It also encourages everyone involved to adopt an open and structured approach to risk management. The Council hopes that effective risk management will help to deliver -

- Increased certainty and fewer surprises.
- Better management of threats to cost, time and performance, leading to improved service delivery.
- Better grasping of opportunities to improve our services.
- More effective management of change.
- Better management at all levels through improved decision making.
- Clear ownership and accountability for risk and its management.
- Better value for money for the Council Taxpayer.
- Easier achievement of Key Performance Indicators by enabling effort to be targeted.

5. PROCESS

The overall process for the management of risk is set out at Annex A.

6. OWNERSHIP

The Risk Policy is owned by the Council and implemented through the offices of the Town Clerk.

7. ASSESSMENT OF RISK

Each risk will be assessed in terms of its probability of occurrence and the potential impact on the Council. The following are the criteria by which each risk will be assessed:

Probability of Occurrence:

Category	Probability	Possible Indicators
Almost Certain (4)	>90% ¹	Frequent Occurrence
Likely (3)	>60%	Regular Occurrence
Possible (2)	>10%	Occasional Occurrence
Unlikely (1)	<10%	Has Never Occurred

¹Risks that are almost certain to happen should be addressed as an issue

Evaluation of Impact:

Impact on Performance	Risk Threat
Major (4)	Financial Impact >£25,000 Fatality / disabling injuries to public or staff / Adverse national media attention / external intervention / total service disruption / extensive legal action against the Council
Serious (3)	Financial Impact >£15,000 Adverse local media attention / extensive public complaints / adverse comments by regulators or auditors / significant service disruption / failure to meet key performance targets / service disruptions / injuries to public or staff / legal action against the Council
Significant (2)	Financial Impact >£5,000 Adverse service user complaints / service disruption / minor injuries and near misses to staff and public
Minor (1)	Financial impact less than £5,000 / isolated complaints / minor service disruption

Priority Ranking:

The ranking of an individual risk is calculated by a simple combination of its probability and impact.

Risk Matrix:

The risk, using the above impact and likelihood ratings, can then be plotted onto the risk matrix and its classification identified:

8 – 16 = High Risk 3-6 = Medium Risk 1-2 = Low Risk

Probability	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4
		1	2	3	4
		Impact			

8. ROLES AND RESPONSIBILITIES

Risk management is only considered to be truly embedded when it functions as part of the Councils day to day operations. In order for this to be achieved it is vital that clarity exists to determine the various roles and responsibilities of individuals involved throughout the Council in the risk management process.

To ensure that this level of clarity exists, the Council has established a structure that depicts how Members, Officers and the various Committees, Panels and individuals contribute to the overall risk management process.

Organisational Structure and Summary of Key Roles

Council	<ul style="list-style-type: none"> • Monitor annual report on risk management activity (via Policy Committee) • Certification of the Council's annual Statement on Internal Control
Policy Committee	<ul style="list-style-type: none"> • Approve risk management policy and strategy and related documents • Approve content of risk registers and proposed risk mitigation plans and monitor implementation via regular monitoring reports • Monitor annual report on risk management activity
	<ul style="list-style-type: none"> • General oversight of the Councils risk management process • Receiving regular reports to review/scrutinise/challenge current and proposed risk management procedures and processes • Give initial consideration to the annual report on the Councils risk management activity • To recommend a risk management framework, strategy and process • Identify, analyse and prioritise risks • Determine responsibilities and actions to control risks • Monitor progress on managing risks against action plans • Review implementation of the of the risk management framework, strategy and process

Town Clerk	<ul style="list-style-type: none"> • Report to Members and external stakeholders on the framework, strategy and process • Provide advice and support on risk management matters • Maintain the risk management policy, strategy and framework • Produce an annual report on overall risk management activity • Identifying, analysing and prioritising risks • Determining risk management action plans and delegating responsibility for control • Monitoring progress on the management of risks
Staff and other stakeholders	<ul style="list-style-type: none"> • Maintaining awareness of risks, their impact and costs and feeding these into the formal risk management process • Controlling risks in their every-day work • Monitoring progress in managing job related risks

9. RISK REGISTERS

The Council will maintain computer based Strategic and Operational Risk Registers which will be developed further so as to link in with the Council’s other corporate documents such as the Performance and Policy Plan.

ANNEX A

RISK MANAGEMENT PROCESS

RISK IDENTIFICATION

Risks and opportunities may be identified at any stage and should be included in the Risk Register. Nevertheless, in order to capture as many of the risks and opportunities facing an activity or project methods used for identification could include:

- Brainstorming sessions with individuals, committees or panels and various levels of management. It will be important to include as many stakeholders as possible in these sessions.
- Check lists.
- Questionnaires.
- Learning from other projects, councils and auditors.

As risks are identified they will be recorded in the Risk Register. Each risk must be described in terms of the source of the risk, the consequences if it happens and the effect it would have on the Council’s activities or project as the case may be.

RISK OWNERSHIP

Once a risk has been identified, it will be given an owner who is the person best able to manage the risk. The owner will be responsible for all aspects of the management of the risk or opportunity.

RISK EVALUATION

Each risk will be evaluated in accordance with the evaluation rules laid down within this Plan. This information will be entered in the Risk Register and will enable prioritisation of the risks within a certain area.

RISK PLANNING

Once each risk has been identified and evaluated actions for dealing with it will be developed. These are known as risk responses and fall into one of four areas:

- Terminate: An action that allows the risk to be avoided.
- Treat: An action that will reduce the impact and/or the probability of a risk.
- Transfer: Is there a stakeholder or another organisation better able to manage the risk?
- Tolerate: Accept the consequences if the risk occurs.

The Risk Register will identify the option selected to deal with each risk together with any actions that might be required.

Once the risk responses have been developed the risk owner must then decide which option to adopt. In reaching decisions as to which response should be used, a cost/benefit comparison should be made. For mitigation activities attracting significant cost (> £5,000) results will need to be recorded. It may be that external help is required to help decide the appropriate course of action, in which case the risk owner should record the date by which a decision must be made and the potential consequences if the decision is not taken by that date.

Following the decision to adopt a particular risk response, the owner must ensure that:

- The secondary risks associated with implementing the risk response are assessed and recorded.
- Where one exists the project plan is updated to include the activities associated with the risk response.
- Entries are made in the fields on the risk register detailing the predicted probability and impact evaluation, once the response activities are completed.
- A fallback/contingency plan is developed to address the consequences of the risk happening despite the response activities.

Risk owners must monitor the progress and success of their chosen response to risk on a regular basis. They should review all their risks and provide an evaluation of probability and impact on a regular basis.

REVIEW

The highest priority risks are to be reviewed by the Policy Committee. Risk monitoring will be regularly reported to the Policy Committee.

The effectiveness of the process will be reviewed by the Policy Committee periodically.

STRATEGIC RISKS SCORED 'HIGH'

Appendix 2

Risk	Risk No	Responsibility Officer	Impact and Effect of Deliverables	Probability	Impact	Total	Controls in Place	Risk response	Notes
Pressure to take over or fund services provided by Other Local Authorities	S037	TC	Services provided by OLA's reduced resulting in pressure on this Council to take over of fund the service, resulting in significant resource and political implications.	4	3	12	Member decision re service levels. Current budget provides capacity for limited choices	Tolerate	See also Risk S047.
Significant re-organisation of Local Government in Dorset	S047	TC	Pressure on the TC to take on additional services and reduced partnership working resulting in significant financial and political implications.	4	3	12	Members to be kept informed. The TC to have as much input as possible into any consultations. Robust Corporate Plan to be put in place.	Treat / Monitor	This risk also presents an opportunity to the Council to impact on services not previously within its remit. Will happen in May 2019. Financial planning in place. Member briefings being undertaken.
Failure to Implement the new General Data Protection Regulations (GDPR) by May 2018	S049	TC	Non-compliance with the law resulting in significant fines, reputational damage etc	2	4	8	Review programme was put in place prior to commencement date, then delivered. Ongoing monitoring required. Suggest score is lowered.	Treat/ Monitor	

OPERATIONAL RISKS SCORED 'HIGH'

Municipal Buildings

Increased competition	MB 009	TC	Reduced bookings resulting in reduced income.	3	3	9	Differential charging in place. Link between income and wages clearly evidenced. Building infrastructure to be updated. Suggest score is lowered	Treat	Wages bill has been managed down in line with lower income levels. Review of operation/use to be undertaken with regard to the future once future of DA is confirmed.
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Recreational Activity

Football being kicked over the fence at Weymouth Avenue Rec	REC 014	TC	Possibility of RTA, injury to passers-by. Claim for compensation. Council criticised for insufficient precautions. Reputational damage.	4	3	12	Football has been discontinued at Rec. Suggest score is lowered	Treat/ Monitor	
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Other

Serious incident at Council run outside event	OTH 010	TC	Loss of life/injury to public/staff. External criticism. Negative local and national press coverage. Increased insurance premiums.	2	4	8	PLI. Risk assess prior to event. Take note of 'purple book guidance'.	Treat/ Monitor	
Failure to insure or secure (where appropriate) public art/civic assets	OTH 011	TC	Loss or damage. Significant unexpected expenditure. Criticism for lack of care/civic pride. Loss of irreplaceable public art.	2	4	8	Assets identified and those in the ownership of the Council to be insured or the Council self-insures - Council decision. Additional security measures to some assets.	Treat/ Monitor	