

Report

Subject : Risk Registers
Report to : Audit Committee
Date : Wednesday 26 September 2007
Author : Risk Management Group

1. Introduction

- 1.1. Risk registers are provided to the Audit Committee to allow them to understand the key risks facing the authority and to allow them to monitor how those risks are being managed.

2. Current Risk Registers

- 2.1 Attached are copies of three risk registers:
- Cabinet risk register as reported to Cabinet on 5th September.
 - Transition group draft risk registers
 - Business as usual group draft risk register

A risk map of the Cabinet risk register has also been produced to illustrate the risks against the council's risk appetite.

3 Recommendation

- 3.1 The committee is asked to note the risk registers.



INVESTOR IN PEOPLE



CUSTOMER SERVICE EXCELLENCE

Awarded in:
Housing Services
Waste and Recycling Services



Salisbury District Council Risk Register
Date last updated 5 September 2007

No	Type of Risk	Impact	Probab	Category	Risk Source	Owner	Response	Action	Residual Status	Updated	Risk Acceptable Y/M
1	Failure to meet financial challenge	5	4	Financial Reputational Political	Cabinet	Cabinet / MT	Treat	Review of MTFG in light of revised political priorities is needed.	3/3	5/9/07	
2	Failure to put in place resources to meet the council's objectives (capacity)	4	4	Political Reputational	Cabinet	Cabinet / MT	Treat	Staff vacancies running at high level and replacement recruitment is proving difficult because of LGR. Creation of Business As Usual Team to manage this problem.	4/4	5/9/07	
3	Failure to secure adequate investment to maintain the council's housing stock to the quality level desired by tenants	5	5	Financial Reputational People	Cabinet	HM	Treat	Review of business plan in train	4/4	5/9/07	
4	Failure to meet targets projected from policies put in place to secure affordable housing	3	3	Reputational Political People	Cabinet	SHS	Tolerate	Renewed leadership from Affordable Housing Board	2/2	5/9/07	
5	Failure to meet targets for diverting household waste from landfill	4	5	Reputational Political	Cabinet	HES	Treat	Cabinet to consider strategy for increased recycling	4/5	5/9/07	
6	Failure to meet objectives of Salisbury Transport Plan	3	3	Reputational political people financial	Cabinet	HFPT	Treat	Need to review financial impact of final park and ride site on MTFG and political priorities	3/3	5/9/07	
7	Failure or delay of office project	5	5	Financial Reputational	Cabinet	MT	Treat	Council has opted to modify the original scheme. This will delay construction and offers some financial challenges.	5/5	5/9/07	
8	Deterioration in community safety	3	2	Reputational Political People	Cabinet	HCI	Tolerate	Policies in place to improve community perception of safety. Impact of new alcohol licensing arrangements need to be watched	2/1	5/9/07	
9	Significant unintentional deterioration in levels of performance, effectiveness, quality or efficiency	4	4	Reputational Political People	Cabinet	MT	Treat	Staff shortages due to LGR, may cause difficulty. Situation to be kept under review by Business As Usual Group.	4/4	5/9/07	
10	Failure to engage with partner and community in process of identifying investment priorities	4	3	Reputational Financial People	Cabinet	MT	Treat	SWSA re- focussed and providing more strategic leadership but all partnership working under threat from LGR	4/3	5/9/07	

11	Failure to meet external requirements on the quality, effectiveness and economy of council services	3	2	Reputational Political People	Cabinet	MT	Treat	See 2 and 9 in terms of the impact of LGR.	4/4	5/9/07	
12	Failure to improve the city centre leading to reduced business, employment, tourist and cultural activity	4	3	Financial Reputational Political	Cabinet	MT	Treat	Action taken to appoint project director and next steps reported to Cabinet.	3/3	5/9/07	
13	Local Government Reorganisation leading to cessation of corporate projects	4	4	Financial Political	Cabinet	MT	Treat	Review of political priorities and corporate plan needed to identify which projects can be completed.	5/5	5/9/07	

RESPONSE TO RISK

Once risks have been identified as High, Medium or Low for both impact and likelihood, a risk management response needs to be planned. The level and type of response will be determined by:

- o The risk level
- o The ease and cost of mitigation strategies, and
- o The nature of the risk

The following table is based upon the council's "appetite for risk"

Impact		Likelihood	
5	Critical	5	Almost certain
4	Major	4	Highly likely
3	Significant	3	Likely
2	Moderate	2	Possible
1	Minor	1	Rare

DEFINITIONS OF RISK MANAGEMENT RESPONSE

Tolerate

The council may decide to accept and monitor the risk at the present time. This may be necessary for some risks that arise from external events.

Transfer

The council may decide to pass the risk on to another party. For example, contractual terms may be agreed to ensure that the risk is not borne by the council or insurance may be appropriate for protection against financial loss

Terminate

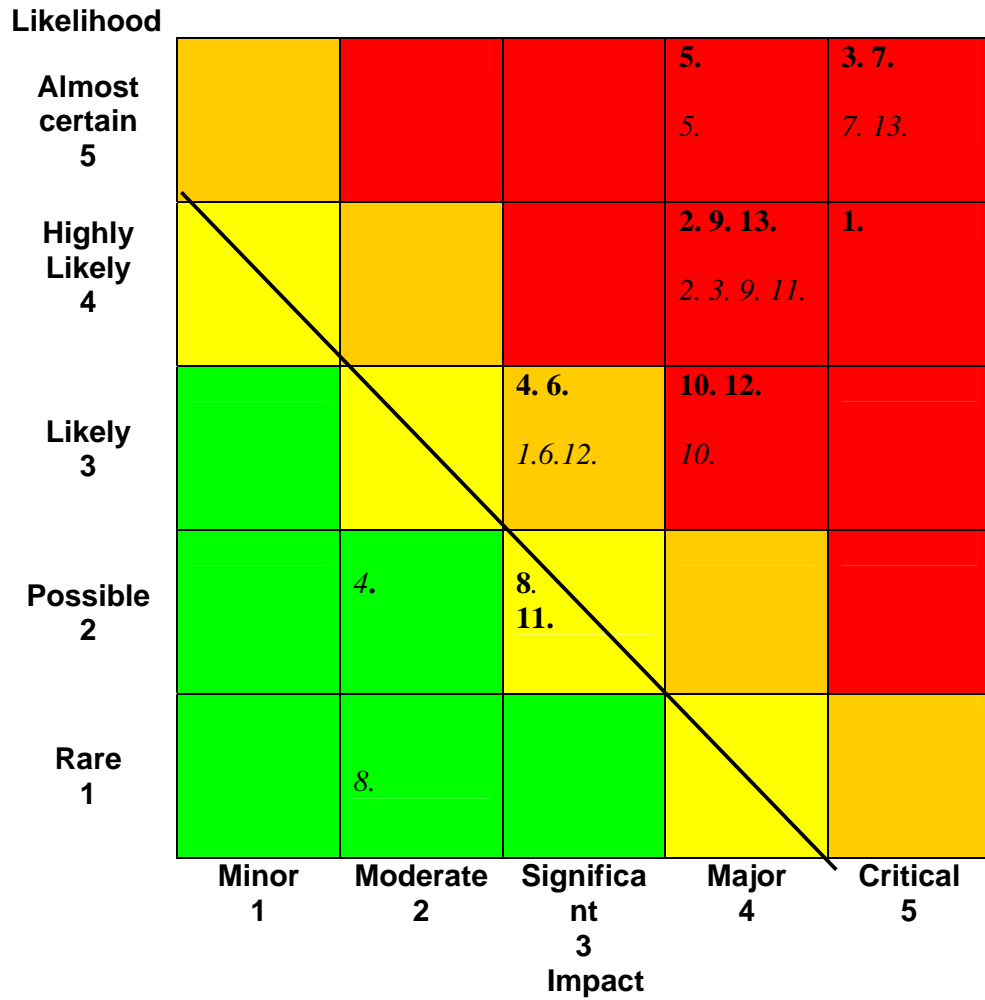
The risk may be such that the council could decide to end the activity or to modify it in such a way as to end the risk

Treat

The council may take actions or employ strategies to reduce the risk to the council

RISK MAP FOR SALISBURY DISTRICT COUNCIL

(Figures in bold show risks in register, figures in italics show residual risks if successfully treated - diagonal illustrates SDC risk appetite)



Transition Project Team Risk Register

Ambition / Theme	Potential Risk	Impact / Likelihood	Risk Owner	Action	Residual Risk Impact / Likelihood	Updated
Salisbury Transition Project Team	<u>Reputational</u> Other councils adopt different strategies to the transition which undermines the effectiveness of Salisbury's strategy and the aim of a unified approach.	4/4	Transition Team	Agree protocol Keep talking Liaison with other Wiltshire district councils Be clear on timescales Detailed understanding of project plans Monitor/good communications Members need to be "on message"	4/4	28/8/07
	<u>Organisational capability</u> The effectiveness of the transition team is undermined by there not being a level playing field in terms of information and decision making.	4/4	Transition Team	Agree and monitor protocol Get buy-in Pro-active engagement with GOSW, DCLG etc	4/3	28/8/07
	<u>Organisational capability</u> Time pressures to bring about changes quickly mean that the objectives of transformation and ensuring best practice are postponed and influence of SDC on the shape of structure is reduced.	5/4	Transition Team	Argue for later vesting date Lobby GOSW, DCLG etc Ensure resources are available Manage reactions Ensure coordination between district councils and third parties/stakeholders etc. Make sure there is a good knowledge base of best practice Learn from others Look for IDEA/GOSW facilitation Look for representation on Expert Group.	5/3	28/8/07
Salisbury Transition Project Team	<u>Organisational capability</u> The need to follow the timetable set by WCC leads to changes in the strategy and objectives of the project team.	5/4	Transition Team	Liaison with WCC and other DCs Participation in transition team. Structures put in place.	3/4	28/8/07

Ambition / Theme	Potential Risk	Impact / Likelihood	Risk Owner	Action	Residual Risk Impact / Likelihood	Updated
	<u>Organisational capability</u> The need to deliver the savings promised for the unitary authority shapes the transition rather than the objectives set out in Salisbury's strategy.	5/5	Transition Team	Be constructive /lead in looking for savings. Pressure on transformation rather than transition. Be open minded Put appropriate recruitment protocols in place Identify pre and post transition costs	5/4	28/8/07
	<u>Organisational capability</u> Loss of key staff means that it becomes very difficult to maintain service levels and resource the transition project.	5/5	BUAG	HR protocols in place and implemented Ongoing structure Status of Salisbury Implement staff support strategy Proactive engagement in county wide terms and conditions. Career development/secondment opportunities	5/4	28/8/07
	<u>Organisational capability</u> The project team has insufficient capacity to deal with the issues arising from transition due to a shortage of appropriate skills in the council.	4/4	Transition Team	Gap analysis Deal with gaps urgently Put development plan in place Continuously monitor	2/2	28/8/07
	<u>Reputational</u> The project team and partner organisations present conflicting views which undermine the effectiveness of a 'Voice' from South Wiltshire.	3/4	Transition Team	Communicate with external stakeholders Put an external communications protocol in place Attend partnership meetings Make sure mechanism in place to be alerted to setting up meetings/new groups	2/2	28/8/07

Ambition / Theme	Potential Risk	Impact / Likelihood	Risk Owner	Action	Residual Risk Impact / Likelihood	Updated
	<u>Reputational</u> Keep members focussed on presenting a coherent 'Voice' for South Wiltshire.	3/4	Transition Team	Cross party consensus/agreement Constant Communications Give message that "SDC Matters"	2/3	28/8/07
	<u>Reputational</u> Lack of alignment between the objectives of the political leadership and the transition strategy leads to reduced influence and effectiveness.	4/4	Transition Team	Cross party consensus/agreement Constant Communications Give message that "SDC Matters"	2/3	28/8/07
	<u>Organisational capability</u> Poor staff morale and motivation reduce the capacity of the council, including the resources available to the project team.	5/5	Transition Team	Staff support strategy Promote development/training opportunities Put good communication in place. Make sure managerial leadership is giving positive message. Develop management of change skills Alignment of political leadership Make sure honesty and transparency at all times within project team. Manage capacity	4/4	28/8/07
	<u>Impact on people</u> Lack of early 'success' for the project team has a negative impact on staff morale.	4/4	Transition team	Good communication tools in place Focus on tangible outcomes Influence WCC	3/3	28/8/07
	<u>Organisational capability</u> Different levels of communications with key partners and contractors on the process of transition leads to	2/2	Transition Team	Communication of messages is consistent across Wiltshire	2/2	28/8/07

Ambition / Theme	Potential Risk	Impact / Likelihood	Risk Owner	Action	Residual Risk Impact / Likelihood	Updated
	effective service provision being put at risk.					
	<u>Organisational capability</u> Demands of short term political priorities results in capacity problems for the project team.	5/5	Transition Team	Encourage Cabinet approach rather than individual approach. Agree MTFS BAUG monitor priorities	4/4	28/8/07
	<u>Organisational capability</u> Lack of synergy with the Business as Usual group results in inefficient use of resources.	3/3	Transition Team	Communications maintained across membership Clear terms of reference for each group and understanding.	3/2	28/8/07
	<u>Reputational / Impact on People</u> Lack of engagement with local people on the transition by the project team results in lack of awareness about the transition.	3/4	Transition Team	Good external communication with an eye on the Judicial Review process.	2/3	28/8/07

Salisbury District Council – Transition to Unitary Authority Risk Register

Ambition / Theme	Project (No.)	Potential Risk	Impact / Likelihood	Risk Owner	Action	Residual Risk	Updated
Transition to unitary authority by Salisbury DC	Service Delivery	<u>Impact on people</u> Inability to join up services leads to inconsistent levels of service and standards across the county.	4/4	County JIT	Right people on programme groups Monitoring & follow up actions Communication with external users Links at member and officer level Evidence base re: needs and views Leadership by WCC members and officers	3/3	10/09/07
		<u>Impact on people</u> Service levels previously provided to Salisbury District residents are not maintained as a result of different priorities.	4/3	Business As Usual	Monitoring & prioritising Engaging with County to negotiate service levels Establish an early warning system of service failures Business as Usual Group working effectively	3/3	10/09/07
		<u>Impact on people</u> The demands of implementing transition results in diminished capacity for maintaining and improving services to residents.	4/5	Business as Usual	Demand for maintaining services Monitoring capacity and capacity and resource planning Links between two teams maintained Engagement with members re: priorities		10/09/07
		<u>Impact on people</u> Diminished capacity results in impact on the transition work	4/5	Transition team	Keeping members in the loop and managing their expectations. Shift resources between BaU and Transition Teams as necessary		10/09/07
	Community Engagement	<u>Impact on people</u> It becomes more difficult to engage residents and service users in shaping service policy as	2/2	JIT	Monitoring of public opinion Agree joint commitments policy		10/09/07

Ambition / Theme	Project (No.)	Potential Risk	Impact / Likelihood	Risk Owner	Action	Residual Risk	Updated
		decision making is seen as more remote.					
		<u>Organisational capacity</u> Lack of understanding about district services means that management arrangements are not suited to effective service delivery.	5/5	District Services sub group	Communication and negotiation with Programme Office Work with other Districts Leadership with other districts Evidence base for service _____	5/4	10/09/07
	Staff Issues	<u>Impact on People</u> Loss of local job opportunities.	4/5	Transition Team	Protocols and identifying job opportunities. Leadership – put forward the need for local jobs, training & development/ Encourage staff to think positively about job opportunities Proactive engagement with trade unions	3/4	10/09/07
		<u>Organisational Capacity</u> Loss of experienced staff and key skills during the transition period has a negative impact on service delivery.	5/5	Business as Usual	Staff support Proactive use of H R policies such as discretionary payments		10/09/07
		<u>Organisational Capacity</u> Loss of experienced staff and key skills has a negative effect on ability to manage transition	5/5	Transition Team	Staff support Proactive use of H R policies Monitoring organisational capacity	4/5	10/09/07
		<u>Organisational capacity</u> Lack of capacity in WCC to successfully deliver the project results in delays, additional costs and service failures.	2/2	Transition Team	Staff support Engage with WCC and other districts Involvement in Programme Groups	2/2	10/09/07

Ambition / Theme	Project (No.)	Potential Risk	Impact / Likelihood	Risk Owner	Action	Residual Risk	Updated
		<u>Impact on people</u> Failure to coordinate communications across county and districts results in lack of staff engagement and cooperation.	5/4	Transition Team	Maintain dialogue Communications strategies Leadership Protocols Staff support Engage with Trade Unions	5/3	10/09/07
		<u>Reputational</u> Disruption during the transition has a negative impact on partnership working and on other relationships with stakeholders.	4/5	Transition Team	Managed approach to partnership working Communication	2/3	10/09/07
		Shared service proposed have major impact on staff	??	Transition Team	To be completed when it is known	??	10/09/07

Business As Usual Project - Risk Register

Ambition / Theme	Category of Risk	Potential Risk	Impact	Likelihood	Action	Residual Risk	Updated
Business As Usual	Impact on people	<p>Service levels previously provided to Salisbury District residents are not maintained due to:-</p> <ul style="list-style-type: none"> • Increased staff turnover • Loss of key staff • Inability to recruit • Poor morale/stress • Secondments <p>Additional commitments arising from LGR</p>	4	5	<ul style="list-style-type: none"> • Continual review of staff levels and budgets • Continual review of priorities • Matching resources to priorities • Training and secondment opportunities to be identified • Review change agenda to avoid making duplicate changes with Unitary agenda 	4/4	Sept 07
	Organizational Capability	<p>Capacity to deliver services is reduced due to:-</p> <ul style="list-style-type: none"> • Shortened planning horizons • Short time-frame before transition to LGR • Recruitment freeze • Complexity of transition process 	5	5	<ul style="list-style-type: none"> • Robust secondment policy in place and managed • Assessment of business need and prioritisation (EMT) • Balanced approach of organisational and individual needs • Review of corporate support areas eg Audit/ Performance/ Procurement to create capacity 	4/4	Sept 07
	Reputation	<p>Failure to provide Current levels of service due to:-</p> <ul style="list-style-type: none"> • Reduced services • Changes in customer service priorities • Poor communication of changes to Salisbury residents. 	4	5	<ul style="list-style-type: none"> • Communicate and keep stakeholders informed of priorities decisions • Consider alternative service arrangements to manage reductions e.g. electronic delivery 	3/4	Sept 07

	Economic/ Financial	Lack of a clear short to medium term financial strategy e.g. Extra costs of LGR Extra costs of agency staff Uncosted priorities emerging	4	4	<ul style="list-style-type: none"> • Continual monitoring of MTFS • Robust costing of priorities • Monitor and take action on realisation of savings, consider alternatives where necessary • Engage with Cabinet at policy days to evaluate and inform impact of policy decisions • Take action to avoid redeployment of resources from stopped projects 	3/3	Sept 07
	Political	Poor Officer/member relationships caused by:- <ul style="list-style-type: none"> • Ability to meet current member expectations • Changes in levels of member interest and support as LGR approaches • Clarity and focus of short-term political priorities • Unique transitional environment of LGR 	5	5	<ul style="list-style-type: none"> • Political representation on BUG. • Develop and maintain member communication strategy • Standing Item on Policy Development days 	4/4	Sept 07