Agenda Item 15
Management Team
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Report

Subject   **:** Risk Registers and Risk Management Update

Report to **:** Audit Committee

Date   **:** Wednesday 18 June 2008

Author   **:** Frank Dick on behalf of Risk Management Group

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1. **Report Summary:**
   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 these risks are being managed.

2. **Current Risk Registers:**

   2.1.   Attached at Appendix 1 is a copy of the risk registers:
   2.1.1.   Cabinet risk register updated June 2008
   2.1.2.   Corporate Management Team (CMT) risk register updated June 2008

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

3. **Recommendations:**
   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

Salisbury District Council Risk Registers - Updated June 2008

Cabinet

No	Type of Risk	Impact/ Likelihood	Category	Risk Source	Owner	Response	Action	Residual Status	Updated	Acceptable Level Y/N
1.	Failure to meet financial challenge	5/4	Financial Reputational Political	Cabinet	Cabinet / MT	Treat	Revised Medium Term Financial Strategy agreed	3/3	03/06/08	
2.	Failure to put in place resources to meet the council's objectives (capacity)	4/4	Political Reputational	Cabinet	Cabinet / MT	Treat	Systems designed to track level of vacancies and impact on the organisation.	4/4	03/06/08	
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	Head of Hsg Mgmt	Treat	A draft business plan has now been prepared which shows adequate investment to reach the Decent Homes Target by 2010 but an investment gap in the medium term. A national review of HRA finances is currently being undertaken and we are participating in a campaign to end negative subsidy	3/3	03/06/08	
4.	Failure to meet targets projected from policies put in place to secure affordable housing	3/3	Reputational Political People	Cabinet	Head of SHS	Tolerate	Renewed leadership from Affordable Housing Board	2/2	03/06/08	
5.	Failure to meet targets for diverting household waste form landfill	4/5	Reputational Political Financial	Cabinet	Head of ES	Treat	Roll out of new waste collection system to boost recycling underway. Waste management targets will in future be attributable to the new unitary authority, and so Salisbury's individual performance will be less critical than the overall county performance in terms of financial penalties	3/4	04/06/08	
6.	Failure to meet objectives of Salisbury Transport Plan	3/3	Reputational Political People Financial	Cabinet	Head of FPT	Treat	Need to review financial impact of final park and ride site on MTFS and political priorities	3/3	03/06/08	
7.	Failure or delay of office project	5/5	Financial Reputational	Cabinet	CMT	Treat	Implementation Executive has recommended that the project is continued.	2/2	03/06/08	

No	Type of Risk	Impact/ Likelihood	Category	Risk Source	Owner	Response	Action	Residual Status	Updated	Acceptable Level Y/N
8.	Deterioration in community safety	3/2	Reputational Political People	Cabinet	Head of COI	Tolerate	Policies in place to improve community perception of safety.	2/1	03/06/08	
9.	Significant unintentional deterioration in levels of performance, effectiveness, quality or efficiency	4/4	Reputational Political People	Cabinet	CMT	Treat	Systems designed to track level of vacancies and impact on the organisation. Performance reported on a quarterly basis to ensure any drop can be addressed.	4/3	03/06/08	
10.	Failure to engage with partner and community in process of identifying investment priorities	4/3	Reputational Financial People	Cabinet	CMT	Treat	SWSA re- focussed and providing more strategic leadership.	4/3	03/06/08	
11.	Failure to meet external requirements on the quality, effectiveness and economy of council services	3/2	Reputational Political People	Cabinet	CMT	Treat	Systems designed to track level of vacancies and impact on the organisation. Performance reported on a quarterly basis to ensure any drop can be addressed.	2/2	03/06/08	
12.	Failure to improve the city centre leading to reduced business, employment, tourist and cultural activity	4/3	Financial Reputational Political	Cabinet	Vision Director	Treat	Report agreed by Cabinet on way forward. Report to Implementation Executive meeting in June to gain agreement.	3/3	03/06/08	
13.	Local Government Reorganisation leading to cessation of corporate projects	4/4	Financial Political	Cabinet	CMT	Treat	Political priorities reviewed to focus on projects which can and should be delivered.	2/2	03/06/08	

Corporate Management Team

No	Type of Risk	Impact/ Likelihood	Category	Risk Source	Owner	Response	Action	Residual Status	Updated	Acceptable Level Y/N
14.	Loss of experienced staff and key skills during the transition period has a negative impact on service delivery.	4/5	Operational Capability	CMT	CMT	Treat	Staff support strategy in place SUHs updating operational risk registers including consideration of capacity. Proactive engagement in county-wide terms and conditions Ensure career development/secondment opportunities are encouraged. Robust secondment policy in place and managed at CMT. Use capacity planning forms to monitor and address capacity issues as and when required.	3/5	03/06/08	
15.	Senior managers and employees become de-motivated and disengaged as a result of LGR. They remain with the council but productivity falls and they do not deliver service or corporate requirements.	3/3	Operational Capability	CMT	CMT	Treat	HR protocols in place and implemented. Change management training given to CMT and being rolled out to team leaders. Staff support strategy in place Performance monitoring in place to identify any drop in service performance. Staff training plan and appraisal programme being developed.	3/2	03/06/08	
16.	Leadership from SDC manager and /or the single council for Wiltshire arrangements is poor and lacking in direction. Workstreams and services do not engage appropriately. The transition process is, therefore, not seamless and local services suffer.	4/4	Operational Capability	CMT	CMT	Treat	Good communication routes put in place to deliver key messages. Make sure managers are giving positive messages. Active engagement with WCC on transition process at all levels.	3/3	03/06/08	
17.	Competing pressures of political priorities, LGR transition and current service levels results in sub-optimal performance in one or more areas.	3/3	Operational Capability	CMT	CMT	Treat	Priority projects list agreed with Cabinet and regular updates on capacity given on monthly basis. Monitoring of key projects in place	2/2	03/06/08	
18.	Loss of staff or deterioration of service in other Wiltshire councils results in pressure to move to a virtual team before	3/3	Operational Capability	CMT	CMT	Treat if necessary	Active engagement with WCC and other district councils on transition process at all levels to ensure service levels are maintained if early amalgamation occurs	2/2	03/06/08	

No	Type of Risk	Impact/ Likelihood	Category	Risk Source	Owner	Response	Action	Residual Status	Updated	Acceptable Level Y/N
	April 2009, which results in a reduction of service to South Wiltshire.									
19.	Loss of server room at Bourne Hill resulting in interruption to a wide range of services until IT service is restored.	5/3	Operational Capability	CMT	Head IT	Treat	Monitored regularly via CCTV link and remote systems plus daily visits by staff. Active engagement with WCC to ensure service continues after vesting day. Creation and maintenance of business continuity site at depot where critical systems can be restored.	4/3	03/06/08	
20.	Confusion over responsibilities and inadequate planning results in service failures in the period after vesting day.	4/3	Operational Capability	CMT	CMT	Treat	Active engagement with WCC on transition process at all levels to ensure service continues and ensure agreed service levels are in place prior to vesting day.	3/2	03/06/08	
21.	Poor IT service availability as a result of changes to IT infrastructure, amalgamation of different ICT systems etc resulting in reduced service levels post vesting day.	5/5	Operational Capability	CMT	Hd of IT	Treat	Engagement with relevant 1CFW workgroups to ensure risks and concerns from SDC point of view adequately represented. Consideration of SLA arrangement to protect service levels at SDC in run up to vesting day.	3/4	03/06/08	
22.	Failure to deliver BMP on time results in inadequate management processes for the new authority.	5/4	Operational Capability	CMT	Hd of IT	Treat	Active engagement with WCC on transition process at all levels to ensure service continues after vesting day.	4/3	03/06/08	
23.	Implementation of the Wiltshire Council communications service in August 2008 will result in a reduced service available in the districts, whilst at the same time demands from existing projects will remain high.	4/3	Operational Capability	CMT	Comms Manager	Treat	HR protocols in place. Priority projects list agreed with Cabinet and regular updates on capacity given on monthly basis. Consideration of Service Level agreement to protect service levels at SDC in run up to vesting day.	3/2	03/06/08	
24.	Any delay in delivering the LDF Core Strategy will result in the council not being able to bring forward housing sites and the consequential impact on delivering new and affordable housing and on meeting the targets in the	4/3	Operational Capability	CMT	Head of FPT	Treat	LDF consultation currently underway.	3/3	03/06/08	

No	Type of Risk	Impact/ Likelihood	Category	Risk Source	Owner	Response	Action	Residual Status	Updated	Acceptable Level Y/N
	LAA.									
25.	Inability of Salisbury representatives to influence and shape the future arrangements for services in Wiltshire Council results in inappropriate arrangements and structures for service delivery.	3/3	Operational Capability	CMT	CMT	Treat	Active engagement with WCC on shaping the future and ensuring appropriate arrangements are put in place for post vesting day.	3/3	03/06/08	
26.	Capacity of other service units, notably Customer Services, to provide adequate support during the waste and recycling service changes.	4/4	Operational Capability	CMT	Hd of ES	Treat	CSU and ESU working closely to ensure operational capability. Efforts being made with assistance of Customer Insight Manager to ensure information exchange on service changes is prompt and focused to customer needs.	3/2	04/06/08	
27.	Termination of Bourne Hill contract resulting in significant financial loss.	5/5	Financial	CMT	Hd of Legal Services	Treat	Variation agreement by 23.07.08. Project team monitor delivery of critical activities in interim	2/2	03/06/08	
28.	Failure to meet statutory targets results in a loss of financial benefits (e.g. Housing and Planning Delivery grant)	3/2	Financial	CMT	Hd of Financial Services	Tolerate	Capacity planning process and performance monitoring in place to identify and address any issues as they arise.	3/2	03/06/08	
29.	Relocation of functions under Wiltshire Council results in loss of jobs in the Salisbury area.	3/2	Impact on People	CMT	Hd of POD/ Hd of FPT	Treat	Staff training programme in place Ensure career development/ secondment opportunities are encouraged. Robust secondment policy in place and managed at CMT. Regular meetings with economic partners	2/2	03/06/08	
30.	A clear vision and values are not developed and implemented for the new council so Wiltshire Council does not meet the needs and aspirations of the people of Wiltshire.	2/3	Impact on People	CMT	CMT	Treat	Manage and assist member involvement in communication. Active engagement with WCC on shaping the future and ensuring the needs of the people are addressed. Attendance by CMT members at Strategic Managers seminars to influence decisions.	2/2	03/06/08	
31.	Unitary Area Governance Arrangements potentially not reaching their full	3/2	Impact on People	CMT	CMT	Treat	Active engagement with WCC on shaping the future and ensuring the needs of the people are addressed.	2/2	03/06/08	

No	Type of Risk	Impact/ Likelihood	Category	Risk Source	Owner	Response	Action	Residual Status	Updated	Acceptable Level Y/N
	potential with lack of public and member engagement.						Communication strategy in place.			
32.	Delays in Boundary Committee review of electoral divisions would result in the Area Boards being based on existing electoral areas which do not necessarily reflect community identities.	3/2	Impact on People	CMT	Hd of DSU	Treat	Active engagement with WCC on shaping the future and ensuring the needs of the people are addressed.	2/2	03/06/08	
33.	Governance arrangements for Salisbury are not in place by 1.4.09 resulting in lack of local democratic representation.	4/3	Impact on People Reputational Political	CMT	Hd of COI	Treat	Follow statutory process in line with programme timeline. Project team monitor implementation.	3/2	03/06/08	
34.	Multiple sources of communication and the complexity of the transition results in a lack of understanding about the unitary council and public dissatisfaction.	3/3	Impact on People	CMT	Comms Manager	Treat	Engage with WCC to ensure communication is appropriate and targeted. Regular communication updates given to members to manage expectations. Communication strategy in place.	2/2	03/06/08	
35.	Confusion amongst the public over where and how to contact the council for services from vesting day.	3/4	Reputational	CMT	Comms Manager/ Hd of Revenues And Benefits	Treat	Engage with WCC to ensure communication for south Wiltshire residents is appropriate. Regular communication updates given to members to manage expectations. Communication strategy in place. Ensure procedure is put in place to manage contact post vesting day	3/2	03/06/08	
36.	A too hasty focus on structures in the Community & Governance workstream rather than on desired outcomes results in a risk of not engaging communities and partners and undermining the effectiveness of Wiltshire Council's arrangements for community governance.	4/3	Reputational	CMT	Hd of DSU	Treat	Active engagement with WCC on shaping the future and ensuring appropriate arrangements are put in place for post vesting day.	3/2	03/06/08	
37.	The prospect of LGR reduces the urgency to manage risks resulting in	3/2	Reputational	CMT	CMT	Treat	Risk monitoring undertaken at CMT and SMT with regular reports to Cabinet and the Audit Committee.	2/1	03/06/08	

No	Type of Risk	Impact/ Likelihood	Category	Risk Source	Owner	Response	Action	Residual Status	Updated	Acceptable Level Y/N
	unnecessary risk –taking and adverse consequences.						SUHs updating operational risk registers on a regular basis.			
38.	Changes to the waste and recycling service will result in reputational damage to the council if not effectively managed and communicated.	4/4	Reputational	CMT	Hd of Env Svs	Treat	CSU, ESU and communications working closely to ensure operational capability. Further proactive PR campaign planned for summer 08.	2/2	04/06/08	
39.	Inability to allocate alternative employment land in/near Salisbury which would stop the redevelopment of Churchfields.	5/4	Environmental/ Sustainability	CMT	Vision Director/ Hd of FPT	Treat	LDF core strategy being prepared to ameliorate	4/3		
40.	Decision by Implementation Executive to 'pocket' capital receipts from Malting and central car park development rather than utilising it for Vision public realm projects.	5/3	Environmental/ Sustainability	CMT	Vision Director	Treat	Ensure that IE are aware of and fully understand the objectives of the Vision and seek commitment from IE to principle of ring-fencing Vision funding (May meeting deferred to June 2008)	5/3		
41.	Lack of commitment from the Implementation Executive to the Salisbury Vision.	5/3	Political	CMT	Vision Director	Treat	WCC committed to the Vision. Work with the transition team to incorporate Salisbury Vision in to mainstream economic development and regeneration work programme. Report to IE on awareness and seeking endorsement (June 2008)	3/2		
42.	SDC decisions focus on 'quick wins' rather than longer term vision and sustainable policy development and delivery.	3/3	Political	CMT	CMT	Treat	List of priority projects agreed with Cabinet and reported on regularly. Corporate plan 08/9 links current projects to new unitary authority to take forward the ambitions of South Wiltshire.	2/1		
43.	Some councillors who are actively seeking to be unitary councillors may disengage from the District.	2/2	Political	CMT	CMT	Tolerate	Monitor	2/2		

RESPONSE TO RISK

Once risks have been assessed 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 showing Residual Risk against the Council's Risk Appetite

Likelihood

	Minor 1	Moderate 2	Significant 3	Major 4	Critical 5
Almost certain 5			14		
Highly Likely 4			5	2	
Likely 3			1, 3, 6, 12 16, 24, 25	9, 10, 19, 21, 39	40
Possible 2		4, 7, 11, 13, 17, 18, 27, 29, 30, 31, 32, 34, 38, 43	15, 20, 23, 26, 28, 33, 35, 36, 41	22	
Rare 1		8, 37, 42			

Impact

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