

**Management Team
Salisbury District Council
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Report

Subject : Risk Registers and Risk Management Update
Report to : Audit Committee
Date : Wednesday 24 September 2008
Author : Performance Director

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:

- Cabinet risk register updated September 2008
- Corporate Management Team (CMT) risk register updated September 2008

3. Recommendations:

The committee is asked to note the risk registers.

CORPORATE RISK REGISTER - CABINET*Updated: September 2008*

	Title of Risk	Impact	Likelihood	Category	Risk Source	Owner	Response	Action	Residual Status
1	Failure to meet financial challenge	4	2	Financial Reputational Political	Cabinet	Cabinet/MT	Treat	Revised Medium Term Financial Strategy targets are being met. SDC is contributing to the development of the unitary budget programme and MTFS.	3/3
2	Failure to put in place resources to meet the council's objectives (capacity)	4	3	Political Reputational	Cabinet	Cabinet/MT	Treat	Systems designed to track level of vacancies and the impact on the organisation.	4/3
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 Housing Management	Treat	A draft business plan is in place showing 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. WCC have been advised of the position.	3/3
4	Failure to meet targets to secure affordable housing	3	4	Reputational Political People	Cabinet	Head of Strategic Housing	Tolerate	Renewed leadership from Affordable Housing Board. Discussions are underway with WCC to ensure continuing focus on these targets.	2/2
5	Failure to meet targets for diverting household waste from landfill	4	5	Reputational Political Financial	Cabinet	Head of Environmental Services	Treat	Waste management targets will in future be attributable to the new unitary authority. A countywide strategy is being developed??	3/4
6	Failure to meet objectives of Salisbury Transport Plan	3	3	Reputational Political People Financial	Cabinet	Head of Forward Planning and Transportation	Treat	Agree where responsibility sits in new authority??	3/3
7	Delays or increased costs of office project	3	3	Financial Reputational	Cabinet	CMT	Treat	Project plan and management arrangements in place	2/2
8	Deterioration in community safety	4	2	Reputational Political People	Cabinet	Head of Community Initiatives	Tolerate	Policies in place to improve community perception of safety. Provide consistent and regular information and public reassurance and communication	2/1
9	Significant unintentional deterioration in levels of performance, effectiveness, quality or efficiency	4	3	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 Cabinet and managers continue to closely monitor delivery by their units.	4/3
10	Failure to develop and improve the city leading to reduced business, employment, tourist and cultural activity	4	3	Financial Reputational Political	Cabinet	Vision Director	Treat	Report agreed by Cabinet and IE on way forward. Discussions underway with County to agree a longer term approach.	4/3

CORPORATE RISK REGISTER - CORPORATE MANAGEMENT TEAM									
<i>Updated: September 2008</i>									
	Title of Risk	Impact	Likelihood	Category	Risk Source	Owner	Response	Action	Residual Status
11	Impact of recession on major sources of income	3	3	Financial	SMT	Head of Financial Services	Tolerate	Monitor	3/2
12	Loss of experienced staff and key skills over the remaining life of the council has a negative impact on service delivery.	3	4	Operational capacity	Transition to unitary council	CMT	Treat	Staff support strategy in place. SUHs have updated operational risk registers to include consideration of capacity. Robust secondment policy in place and managed at CMT. Use capacity planning forms to monitor and address capacity issues as and when required. Use of fixed term contract and interim staff.	3/5
13	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 capacity	Transition to unitary council	CMT	Treat	HR protocols in place and implemented. Change management training given to CMT and Team Leaders. Staff support strategy in place. Performance monitoring in place to identify any drop in service performance. Staff training plan and appraisal programme underway.	3/2
14	Competing pressures of political priorities, LGR transition and current service levels results in sub-optimal performance in one or more areas.	3	2	Operational capacity	Transition to unitary council	CMT	Treat	Priority project list agreed with Cabinet and regular updates on capacity given on monthly basis. Monitoring of key projects in place.	2/2
15	Loss of server room at Bourne Hill resulting in interruption to a wide range of services until IT service is restored.	5	3	Operational capacity	Transition to unitary council	Head of IT	Treat	Monitor 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
16	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 LAA housing	4	3	Operational capacity	CLG	Head of FPT	Treat	LDF consultation currently underway. Additional resources are in place to support this further consultation.	3/2

CORPORATE RISK REGISTER - CORPORATE MANAGEMENT TEAM

Updated: September 2008

17	Failure to meet statutory targets results in a loss of financial benefits (e.g. Housing and Planning Delivery grant)	3	2	Financial	CMT	Head of Financial Services	Tolerate	Capacity planning process and performance monitoring in place to identify and address any issues as they arise.	3/2
18	Governance arrangements for Salisbury are not in place by 1.4.09 resulting in lack of local democratic representation.	4	2	Impact on people Reputational Political	CMT	Head of COI	Treat	Follow statutory process in line with programme timeline. Project team monitor implementation	3/2
19	Governance arrangements for Salisbury - city council, area boards and area partnerships- are not co-ordinated.	3	3	Impact on people Reputational Political	SMT	Head of COI	Treat	Joint working arrangements in place	3/2

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