

Appendix A - Strategic Risk Register - September 2010



Ref. (see note 1)	Title and Description of risk The risk event, <i>leading to</i> consequence for service/ Aim(s)/ Action(s), <i>resulting in</i> possible outcome(s).	3 A's (see key)	Control measures in place	Risk score (see key and notes 2 and 3)		Direction of travel (see key)	Risk owner / Review frequency	Additional control measures	Additional cost resources required	Adjusted risk score (where relevant, see note 4)		Timeline to progress (see note 6)				
				Impact	Likelihood					Impact	Likelihood					
Str 14	<p>Implementation of National Job Evaluation Scheme</p> <p>The Council and trade unions are not able to form a collective agreement for the implementation of a revised job evaluation scheme <i>leading to</i> worsening industrial relations and equal pay challenges and poor publicity <i>resulting in</i> public dissatisfaction with the Council's services</p>	All	<p>Exchange of information and discussions through the Job Evaluation Steering Group.</p> <p>Employment of specialist staff to manage the process.</p>	Impact	4	↑ (from 12)	Chief Executive / Monthly			Impact	4	Aim to gain agreement in Autumn 2010 and implement in Spring 2011				
			Likelihood	4										Likelihood	4	
			Total	16										Total	16	
Str5	<p>Lack of development progress</p> <p>While there has been progress on Cambridge fringe sites, there is no progress yet at Northstowe and little likelihood of progress at Cambridge East in the immediate future, <i>leading to</i> the authority being unable to deliver its housing needs, <i>resulting in</i> the Council having to meet the shortfall in the short term from developments in existing villages and head off speculative major planning applications outside the strategy.</p>	C.i. C.ii.2. E.iii. E.iv.	<p>Public Service Board continuing to address these issues.</p> <p>Planning Policy are working as part of the county-wide group.</p>	Impact	3	→	Corporate Manager (Planning & New Communities) / Quarterly	Regular senior level meetings between South Cambs and key developers to press for progress – report due September 2010			Impact	3	Waiting to hear about policies of the new government that may mean the targets will change.			
			Likelihood	5											Likelihood	5
			Total	15											Total	15
Str 12	<p>Supported Housing</p> <p>Reduction in Supporting People (SP) funding, <i>leading to</i> loss of staff and changes to delivery structure, <i>resulting in</i> dissatisfaction amongst residents and concerns over well being of vulnerable people.</p> <p>[Note: Further potential risk: Loss of control over SP budget when informal ring fence removed within LAA, <i>leading to</i> further cuts in SP funding not currently anticipated <i>resulting in</i> service may not be sustainable leading to outsourcing of provision.]</p>	A C	<p>Needs assessment of all tenants + member task & finish group to identify best ways to meet tenants' needs.</p> <p>Work closely with County Council structures e.g. Commissioning Body</p>	Impact	3	→	Corporate Manager (Affordable Homes) / Reviewed in monthly HSMT meetings	None	None		Impact	3	Secured place on SP framework April 2010 Critical funding decisions to emerge during 2010 & 2011			
			Likelihood	5											Likelihood	5
			Total	15											Total	15
				Impact	3		Corporate Manager (Affordable Homes) / Reviewed in monthly HSMT meetings				Impact	3				
				Likelihood	4						Likelihood	4				
				Total	12						Total	12				

Ref. (see note 1)	Title and Description of risk The risk event, <i>leading to</i> consequence for service/ Aim(s)/ Action(s), <i>resulting in</i> possible outcome(s).	3 A's (see key)	Control measures in place	Risk score (see key and notes 2 and 3)		Direction of travel (see key)	Risk owner / Review frequency	Additional control measures	Additional cost resources required	Adjusted risk score (where relevant, see note 4)		Timeline to progress (see note 6)					
				Impact	Likelihood					Total	Impact		Likelihood	Total			
Str8	<p>Medium Term Financial Strategy (MTFS)</p> <p>Risks concerning the financial projections include:</p> <ul style="list-style-type: none"> not achieving delivery of savings to meet targets; the RSG settlement is tighter, or better, than anticipated; pay and inflation exceed assumptions; employer's pension contributions increases exceed projections; impact of successful equal pay claims exceeds available reserves; changes in demand for some service areas could lead to pressures in the related budgets; unforeseen redundancy costs, <p><i>leading to</i> the Council needing to take action to cut its budgets, <i>resulting in</i> cuts in services, public dissatisfaction, audit and inspection criticism.</p>	A.v.	<p>Revised MTFS incorporates updated assumptions.</p> <p>Implement plans to deliver the Council's programme in line with the latest GF and HRA savings targets.</p> <p>EMT/SMT review progress in achieving budget targets.</p> <p>Explore opportunities for shared services.</p> <p>Treasury management reports to portfolio holder</p> <p>Monitor pay and inflation factors, the pay and grading review, the effect of the current economic climate on demand led services and budgets.</p> <p>Integrated business monitoring process.</p>	Impact	4	Likelihood	3	Total	12	→	Executive Director (Corporate Services) / Monthly	Draft MTFS Forecast core assumptions to be taken to Cabinet in September 2010 for agreement, in order to provide a preliminary framework for the 2011/12 estimates and service planning processes.		Impact	Likelihood	Total	RSG settlement due to be announced in December 2010.
Str2	<p>Equalities</p> <p>The Council is successfully challenged over not complying with general equalities legislation or legislation specific to public and local authority bodies, <i>leading to</i> possible Commission for Human Rights and Equalities inspection, <i>resulting in</i> reduction in reserves available to support balanced MTFS, adverse publicity and effect on reputation.</p>	A.ii.3. B.iv.6. C.iv.3.	<p>An action plan to achieve Level 3 ("Achieving") of the Local Government Equality Standard is in progress.</p> <p>Gender Equality Scheme adopted by Cabinet.</p>	Impact	4	Likelihood	3	Total	12	→	Corporate Manager (Community & Customer Services) / Quarterly			Impact	Likelihood	Total	IDeA peer review, October 2010

Ref. (see note 1)	Title and Description of risk The risk event, <i>leading to</i> consequence for service/ Aim(s)/ Action(s), <i>resulting in</i> possible outcome(s).	3 A's (see key)	Control measures in place	Risk score (see key and notes 2 and 3)		Direction of travel (see key)	Risk owner / Review frequency	Additional control measures	Additional cost resources required	Adjusted risk score (where relevant, see note 4)		Timeline to progress (see note 6)
				Impact	Likelihood					Total	Impact	
Str3	Illegal Traveller encampments or developments Failure to find required number of sites, or sites identified do not meet the needs of local Travellers, <i>leading to</i> illegal encampments or developments in the District, <i>resulting in</i> community tensions; cost and workload of enforcement action, including provision of alternative sites and/or housing; poor public perception and damage to reputation.	E.i. C.iv.3.	The draft Gypsy and Traveller Development Plan Document (GTDPD) has been out for public consultation. Ongoing routine monitoring of all development in the District.	Impact Likelihood Total	4 3 12	→	Corporate Manager (Planning & New Communities) / Quarterly	SOG developing an action plan of potential initiatives to take, pending clarity from the Government		Impact Likelihood Total		December 2010
Str1	HRA financial position HRA not brought into balance by 2011/12, <i>leading to</i> drawdown on working balance and risk of an illegal deficit budget if cuts are not implemented in full, <i>resulting in</i> reputational damage to the Council and possible Government intervention if not resolved. [Note: Potential risk if savings achieved, <i>leading to</i> risk of deterioration of overall housing service if not carefully managed, <i>resulting in</i> declining tenant satisfaction and inability to meet statutory obligations.]	A C	Standard budget setting and financial controls.	Impact Likelihood Total	5 2 10	→	Corporate Manager (Affordable Homes) / Reviewed in monthly budget monitoring meetings	None	None	Impact Likelihood Total		Medium term position now under control based on current assumptions. Main risk is for period 2014/15 on.

Ref. (see note 1)	Title and Description of risk The risk event, <i>leading to</i> consequence for service/ Aim(s)/ Action(s), <i>resulting in</i> possible outcome(s).	3 A's (see key)	Control measures in place	Risk score (see key and notes 2 and 3)		Direction of travel (see key)	Risk owner / Review frequency	Additional control measures	Additional cost resources required	Adjusted risk score (where relevant, see note 4)		Timeline to progress (see note 6)
				Impact	Likelihood					Total	Impact	
Str7	<p>Shared services (a) The Council enters into a shared services agreement with another authority/ provider/ agency, with diminished control over resources or governance, <i>leading to</i> reduced performance or increased cost to the Council, <i>resulting in</i> adverse publicity and damage to reputation.</p> <p>----- (b) The Council does not enter into shared services arrangements, <i>leading to</i> failure to take advantage of opportunities for service improvement and/or achieve savings, <i>resulting in</i> damage to reputation with peer authorities, inspection agencies and the public.</p>	All	<p>Business cases</p> <p>Agreed "Heads of Terms"</p> <p>Due diligence exercises</p> <p>Shared service agreements</p>	Impact	3	3	9	→	Chief Executive / Quarterly			N/a
Str 13	<p>HRA Reform Proposal HRA reform proposal is abandoned <i>leading to</i> retention of HRA (negative) subsidy regime <i>resulting in</i> significant budget pressures for HRA after 5 years and likely to lead to further cuts to spending and reduction in service.</p> <p>[Note: Potential risk if HRA reform proposal is implemented <i>leading to</i> the Council taking on around £190M in debt <i>resulting in</i> the need for effective and robust financial management and treasury management over a 30 year business plan to avoid an outcome of critical business failure.]</p>	A C	<p>Standard budget setting and financial controls.</p> <p>Standard budget setting and financial controls.</p>	Impact	4	2	8	→	Corporate manager (Affordable Homes) / Reviewed on weekly basis as reform proposals unfold.	Consultation response made to CLG	None	Outcome of consultation expected August/ September 2010
				Impact	5	1	5		New treasury management and accounting resources would be required	Cost of new staff will need to be factored in if needed		New self financing regime possible from April 2011
Str9	<p>LAA actions Failure to meet LAA targets, <i>leading to</i> desired outcomes for residents of the District not being achieved, <i>resulting in</i> possible reduction in funding (e.g. Reward Grant) and low public satisfaction.</p>	All	<p>Leader and Chief Executive participation in Cambridgeshire Together board meetings, monitoring performance and approving remedial action plans.</p>	Impact	3	2	6	→	Chief Executive / Quarterly			N/a

Ref. (see note 1)	Title and Description of risk The risk event, <i>leading to</i> consequence for service/ Aim(s)/ Action(s), <i>resulting in</i> possible outcome(s).	3 A's (see key)	Control measures in place	Risk score (see key and notes 2 and 3)		Direction of travel (see key)	Risk owner / Review frequency	Additional control measures	Additional cost resources required	Adjusted risk score (where relevant, see note 4)		Timeline to progress (see note 6)
				Impact	Likelihood					Impact	Likelihood	
Str 10	Embedding values Values not effectively embedded within Council <i>leading to</i> no real change in culture and behaviour, <i>resulting in</i> adverse comment by the Audit Commission, poor public and partner perception of the Council, low morale.	A.i. A.ii. A.iii. A.iv.	An action plan is continuing to be implemented.	Impact Likelihood Total	3 2 6	→	Corporate Manager (Community & Customer Services) / Quarterly			Impact Likelihood Total		March 2011

Key

3 A's (Aims, Approaches, Actions)

Use this column to cross reference risks to:

- (a) the relevant Aims, Approaches and/or Actions adopted by Council on 27 November 2008 with effect from 1 April 2009 (e.g. A v, or E ii 2, etc); and
(b) the twelve Council Actions for 2010/11 approved by Council on 26 November 2009.

Impact

- 5 Extreme
4 High
3 Medium
2 Low
1 Insignificant

Likelihood

- 5 Almost certain
4 Likely
3 Possible
2 Unlikely
1 Rare

Direction of Travel

- ↓ Score reduced from last review (give the previous Total score in the brackets)
→ Score equal to last review
↑ Score increased from last review (give the previous Total score in the brackets)

(see Criteria and Guidelines, below)

new Risk included in the risk register for the first time

Notes

1. The "Ref." is a unique risk reference, retained by the risk throughout the period of its inclusion in the risk register.
2. Criteria and guidelines for assessing Impact and Likelihood are available on In-Site under Corporate Information > Risk Management and are provided on the following page for information.
3. The "Total" risk score is obtained by multiplying the Impact score by the Likelihood score.
4. The "Adjusted risk score" would result from re-evaluation of the Impact and Likelihood, taking the additional control measures into account.
5. The dotted line (- - - - -) shows the Council's risk tolerance line.
6. The "Timeline to progress" is the date (Month Year) by which it is planned that the risk will be mitigated to below the line.

Criteria and Guidelines for assessing Impact and likelihood

Impact	Giving rise to one or more of the following:							Score
	Service disruption	People	Financial loss (including claim or fine)	Environment	Statutory service/ legal obligations	Management	Reputation	
Extreme	Serious disruption to services (loss of services for more than 7 days)	Loss of life	Financial loss over £500k	Major regional / national environmental damage	<ul style="list-style-type: none"> Central government intervention; or Multiple civil or criminal suits 	Could lead to resignation of Leader or Chief Executive	Extensive adverse coverage in national press and/or television	5
High	Major disruption to services (loss of services for up to 7 days)	Extensive multiple injuries	Financial loss between £251k - £500k	Major local environmental damage	<ul style="list-style-type: none"> Strong regulatory sanctions; or Litigation 	Could lead to resignation of Member or Executive Director	Adverse coverage in national press and/or television	4
Medium	Noticeable disruption to services (loss of services for up to 48 hours)	Serious injury (medical treatment required)	Financial loss between £51k - £250k	Moderate environmental damage	<ul style="list-style-type: none"> Regulatory sanctions, interventions, public interest reports; or Litigation 	Disciplinary / capability procedures invoked	Extensive adverse front page local press coverage	3
Low	Some disruption to internal services; no impact on customers	Minor injury (first aid)	Financial loss of between £6k - £50k	Minor environmental damage	<ul style="list-style-type: none"> Minor regulatory consequences; or Litigation 	Formal HR procedure invoked	Some local press coverage; or, adverse internal comment	2
Insignificant	Insignificant disruption to internal services; no impact on customers	No injuries	Financial loss of up to £5k	Insignificant environmental damage	<ul style="list-style-type: none"> No regulatory consequences; or Litigation 	Informal HR procedure invoked	No reputational damage	1

Likelihood	Guidelines	Score
Almost certain	<ul style="list-style-type: none"> Is expected to occur in most circumstances (more than 90%), or More than 90% likely to occur in the next 12 months 	5
Likely	<ul style="list-style-type: none"> Will probably occur at some time, or in some circumstances (66% - 90%), or 66% to 90% likely to occur in the next 12 months 	4
Possible	<ul style="list-style-type: none"> Fairly likely to occur at some time, or in some circumstances (36% - 65%), or 36% to 65% likely to occur in the next 12 months 	3
Unlikely	<ul style="list-style-type: none"> Is unlikely to occur, but could, at some time (11% - 35%), or 11% to 35% likely to occur in the next 12 months 	2
Rare	<ul style="list-style-type: none"> May only occur in exceptional circumstances (up to 10%), or Up to 10% likely to occur in the next 12 months 	1