

AUDIT COMMITTEE

24 SEPTEMBER 2015

RISK MANAGEMENT UPDATE

REPORT OF CHIEF EXECUTIVE

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RECENT REFERENCES:

AUD118 – Risk Management Policy, 22 June 2015

EXECUTIVE SUMMARY:

At its meeting on 6 July 2015, Cabinet approved the Risk Management Policy for the coming year and the significant risks that could affect the Council achieving its strategic objectives.

This Report presents more detail against each of the Corporate Risks that were presented to the last meeting of this Committee and includes the current controls for managing the risks and future actions. This detail uses the template that was included with the Risk Management Policy.

The Report also includes an update on the work that is on going to roll out and embed the principles included in the Risk Management Policy across the Council.

RECOMMENDATION:

1. That the Committee considers the information for the each of the Corporate Risks including the current controls and future actions and recommends the risks that it wishes to further explore and receive detailed reports on at future meetings.

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DETAIL:

1. Introduction

- 1.1 At its meeting on 6 July 2015, Cabinet approved the updated Risk Management Policy 2015 which defines the Council's arrangements for managing risk (Report AUD118 refers).
- 1.2 Included within the Policy were the updated Corporate Risks which had been reviewed by Performance Management Team and consisted of the risks that are of greatest significance to the Council.
- 1.3 The Policy also included as Appendix 3 a proposed template for the presentation and monitoring of corporate risks. At that time and due to time constraints, the full detail for each corporate risk were not available.
- 1.4 This Report now presents a completed template for each of the corporate risks shown in Appendix 1.

2. Corporate Risk Register

- 2.1 The approved Corporate Risk Register includes the following risks:
 - Silver Hill Development
 - Asset Management
 - Programme Management and Major Projects
 - Governance and Control Weaknesses
 - Financial Stability
 - Staff Engagement
 - Environmental Risks
 - Commissioning
 - Transformation
- 2.2 The template that was approved with the Risk Management Policy presents the likely causes and consequences for each corporate risks along with the actions that are in place to manage the risks. The likelihood and impact for

each risk is also given using the scoring matrix included in the Risk Management Policy

- 2.3 To support the populating of each template, two workshops have been held with risk owners since the Risk Management Policy was approved to consider and discuss the contributing causes and consequences for each of the Corporate Risks.
- 2.4 It is both the management actions that are in currently in place and planned for the future that support the assurance that the risks are being properly managed.
- 2.5 The Corporate Risk Register is monitored regularly by officers to assess where risks need to be escalated onto it, and a formal review of this register is undertake annually with Cabinet and Audit Committee. It is likely that major projects such as the replacement leisure centre project and Station Approach will be included in the review of next year's Corporate Risk Register.

3. Assurance and the Three Lines of Defence Concept

- 3.1 The Risk Management Policy refers to the three lines of defence concept which is widely known among the insurance, audit and banking sectors as a risk governance framework. The concept can be used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision making, risk and control to achieve effective risk management, governance and assurance.
- 3.2 Further training for Members has been planned at the time of writing on how assurance is gained from the three lines of defence concept.

4. Future Actions

- 4.1 It is important that the Council consistently manages its risks and follows the principles included in the updated Risk Management Policy.
- 4.2 A programme is being compiled to roll out the Risk Management Policy across teams during the autumn which will involve working with both Heads of Teams and service managers. Corporate planning for 2016/17 also provides the opportunity reinforce a consistent approach to risk.
- 4.3 Working with Heads of Teams, part of the training will be to provide them support to review their operational risks and use the new template to record causes and consequences in the same way as for corporate risks.

OTHER CONSIDERATIONS:

5. COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 5.1 Effective use of risk management supports the good governance arrangements at the Council and helps the Council manage threats and

opportunities in managing the Council's contribution to the Community Strategy. The Risk Management Policy specifically supports the corporate outcome of being an Efficient and Effective Council.

6. RESOURCE IMPLICATIONS:

- 6.1 The main resource implication is the officer time to ensure risk assessments are undertaken efficiently and effectively and are adequately evidenced within Portfolio Plans, Business/Service Plans and governance arrangements including performance management and the Council's project management methodology.
- 6.2 Effective management of council risks reduces the exposure to adverse events and in turn assists in the availability of insurance cover at affordable cost.

7. RISK MANAGEMENT ISSUES

- 7.1 Risk Management helps the Council set priorities and decide on the allocation of valuable resources. If Council risks are not managed effectively, and clearly evidenced, the Council will be open to legal challenge, financial loss or damage to its reputation resulting in reduced public confidence.
- 7.2 The Council's Risk Register, reflecting the Council's exposure to risk, is contained within the Covalent Performance System. Monthly extracts of the Risk Register are located in the Council's Intranet/Risk and Insurance to inform Members and Officers.
- 7.3 The explicit and implicit reference to management of risks helps the Council achieve its strategic objectives and support the Community Strategy and exploit opportunities. To this end Members and Officers need to challenge and support the Council with their risk assessment and their treatment plans.

BACKGROUND DOCUMENTS:

None.

APPENDICES:

Appendix 1 Individual detailed Corporate Risk Registers

Risk Ref: CR1	Risk Score 2015:	Likelihood= Likely Impact = Significant	Previous Score:	Likelihood = Highly Likely Impact = Significant	Risk Owner: Corporate Director	
Risk Title: Silver Hill Development						
1. What might go wrong?		2. What will happen?		3. What do we do about it		Likelihood
If it is agreed the conditions are met:						
<ul style="list-style-type: none"> Funder/Developer/Registered Provider fails to comply with terms of legal agreements each has entered into with each other or the Council 		<ul style="list-style-type: none"> The Development cannot commence 		<ul style="list-style-type: none"> Legally binding agreements will have been entered into as these are necessary for conditions to have been met. Council will be robust in expecting all parties to meet their obligations 		Unlikely
<ul style="list-style-type: none"> Developer fails to start development to timetable set out by Development Agreement 		<ul style="list-style-type: none"> The Development would stall until alternative arrangements can be agreed 		<ul style="list-style-type: none"> The Development Agreement provides for Council to obtain rights to design and contracts, and to reclaim any site leases granted so that an alternative developer can be obtained and/or Council can step in to complete development 		Unlikely
<ul style="list-style-type: none"> Lack of capacity within City Council to manage simultaneous major projects 'on site' if these overlap 		<ul style="list-style-type: none"> Projects could be delayed, and or mistakes made Impact on Council Officers and partners 		<ul style="list-style-type: none"> Consider and plan for resource requirements through Programme Management Group and allocate appropriate budgets 		Likely
<ul style="list-style-type: none"> Legal action from objectors to prevent implementation of Council's decision 		<ul style="list-style-type: none"> Scheme delays and associated impacts 		<ul style="list-style-type: none"> All decisions on Silver Hill are now made with the real risk of legal action being taken to contest their validity or to claim damages. Advice sought and received should be carefully considered before any decisions are taken but the outcome of any litigation cannot be guaranteed, notwithstanding the fact 		Highly Likely
						Moderate

Risk Ref: CR1	Risk Score 2015:	Likelihood= Likely Impact = Significant	Previous Score:	Likelihood = Highly Likely Impact = Significant	Risk Owner: Corporate Director		
Risk Title: Silver Hill Development							
1. What might go wrong?		2. What will happen?		3. What do we do about it		Likelihood	Impact
<ul style="list-style-type: none"> Anticipated profit on scheme is not achieved because of higher costs (including interest payments), lower values or a mixture of both resulting in lower overage to Council 		<ul style="list-style-type: none"> Less successful scheme and impacts on City's economy The Council's finances are impacted. 		<ul style="list-style-type: none"> that proper advice has been received and considered Any anticipated overage not assumed in baseline medium term financial forecasts Ongoing monitoring of Development Account. Monitoring of cash flows and escrow arrangements 		Likely	Low
<ul style="list-style-type: none"> Council fails to account correctly for complex transactions flowing from the scheme and full budget impact is not assessed 		<ul style="list-style-type: none"> The Council's finances are impacted 		<ul style="list-style-type: none"> Comprehensive technical assessment of accounting, early discussions with auditors, obtain adequate resources within Finance team to support project 		Unlikely	Moderate
If Council wishes to obtain modification of proposals to satisfy conditions before approving							
<ul style="list-style-type: none"> Developer may be unable or unwilling to make necessary modification to satisfy Council 		<ul style="list-style-type: none"> Risks to the scheme progressing 		<ul style="list-style-type: none"> Council would reappraise risk position before making final decision 		Likely	Major
If the Council terminates the contract:							
<ul style="list-style-type: none"> Regeneration of Silver Hill area is substantially delayed by the need to restart a design and development process. 		<ul style="list-style-type: none"> Impacts on the economy of the city and Built Environment. Impacts on St Clements Doctors Practice 		<ul style="list-style-type: none"> Seek consensus for delivery of scheme which meets all reasonable expectations 		Likely	Major
<ul style="list-style-type: none"> Failure to meet contractual obligations under Development Agreement creates scope for damages claim against Council 		<ul style="list-style-type: none"> The Council's finances are impacted 		<ul style="list-style-type: none"> Meet contractual obligations and act in accordance with prudent legal and financial advice. Ensure potential financial consequences of 		Unlikely	Major

Risk Ref: CR1	Risk Score 2015:	Likelihood= Likely Impact = Significant	Previous Score:	Likelihood = Highly Likely Impact = Significant	Risk Owner: Corporate Director	
Risk Title: Silver Hill Development						
1. What might go wrong?	2. What will happen?	3. What do we do about it	Likelihood	Impact		
		this are understood by decision makers				
<ul style="list-style-type: none"> Expiry of existing CPO 	<ul style="list-style-type: none"> This will cause substantial additional cost and time in achieving comprehensive development in accordance with Development Plan 	<ul style="list-style-type: none"> Unavoidable if current scheme does not progress 	Likely	Major		
<ul style="list-style-type: none"> Unrealistic assessment of timescale for delivery of alternative commercially feasible development proposals with possible financial or economic consequences, including investor appetite for working with the City Council 	<ul style="list-style-type: none"> The area will remain in its current rundown state for as long as it takes to bring forward an alternative scheme 	<ul style="list-style-type: none"> Recognise that many competing views will exist and that reconciliation of all of these will be difficult as it has been on other projects 	Very Likely	Major		
<ul style="list-style-type: none"> Failure to deliver market residential dwellings creates additional pressure for site release 	<ul style="list-style-type: none"> Further delays in scheme delivery 	<ul style="list-style-type: none"> Ensure Silver Hill scheme progress in timely fashion 	Likely	Moderate		
<ul style="list-style-type: none"> Failure to deliver any affordable housing from Silver Hill regeneration creates lost opportunity to meet housing need 	<ul style="list-style-type: none"> Impacts on Affordable Housing delivery in the City and associated impacts 	<ul style="list-style-type: none"> Ensure Silver Hill scheme progress in timely fashion 	Likely	Moderate		
<ul style="list-style-type: none"> Calls on capacity and financial resources to restart Silver Hill development process lead to delays in delivery of other major projects 	<ul style="list-style-type: none"> The Council has other important priorities which will be impacted. 	<ul style="list-style-type: none"> Consider and plan for resource requirements through Programme Management Group 	Likely	Major		
<ul style="list-style-type: none"> Contractual payment of £700k to Council will not be received if scheme does not progress. £5m receipt foregone if scheme does not proceed or Council does not exercise option. Increase in maintenance 	<ul style="list-style-type: none"> The Councils finances are impacted 	<ul style="list-style-type: none"> Set prudent budget which excludes receipts and ensure adequate reserves 	Highly Likely	Moderate		

Risk Ref: CR1	Risk Score 2015:	Likelihood= Likely Impact = Significant	Previous Score:	Likelihood = Highly Likely Impact = Significant	Risk Owner: Corporate Director	
Risk Title: Silver Hill Development						
1. What might go wrong?		2. What will happen?		3. What do we do about it		Likelihood
costs and potential liabilities						
<ul style="list-style-type: none"> Failure to provide timescale for new facilities impacts on Stagecoach decisions regarding existing bus station 		<ul style="list-style-type: none"> Possible negative effects on bus services 		<ul style="list-style-type: none"> Maintain active communication with Stagecoach. 		Highly Likely
<ul style="list-style-type: none"> Serious problem created in providing commercially acceptable solution to relocation of St Clements surgery possibly impacting on viability of health service delivery in the town centre 		<ul style="list-style-type: none"> Impacts on residents and Doctors' practice 		<ul style="list-style-type: none"> Undertake options appraisal and consider revisions to capital programme. Progress the St Clements Surgery relocation independently 		Highly Likely
<ul style="list-style-type: none"> Additional costs at public expense for public realm improvements e.g. Broadway if no S106 contributions from development 		<ul style="list-style-type: none"> The Councils finances are impacted 		<ul style="list-style-type: none"> Consider revisions to capital strategy and programme 		Highly Likely
<ul style="list-style-type: none"> Promotion by developers of out of town retail development if Local Plan policy requirement cannot be met in town centre 		<ul style="list-style-type: none"> Impact on town centre economy 		<ul style="list-style-type: none"> Ensure Silver Hill scheme progress in timely fashion 		Likely
<ul style="list-style-type: none"> Lack of city centre car parking capacity at ultra peak times due to failure to replace Friarsgate car park 		<ul style="list-style-type: none"> Creates negative perception of Winchester as shopping destination and associated impacts on local economy 		<ul style="list-style-type: none"> Ensure a scheme progresses as quickly as possible including replacement car park 		Likely
						Moderate

4. What more do we need to do?	Comments	Target Date	Completed Date	Responsible Officer
Future actions include: <ul style="list-style-type: none"> • Robust Project and Programme Management. • Continued assessment of impact on Council's finance's and associated actions. • Provide the required level of resources to deliver projects. • Continued dynamic risk assessment. • Continued robust assessment of the scheme development and approvals process. 		All actions need to be undertaken on an ongoing basis.		CD AD(P&P)

Risk Ref: CR2	Risk Score 2015:	Likelihood= Likely Impact = Major	Previous Score:	Likelihood = Likely Impact = Significant	Risk Owner: Chief Operating Officer				
Risk Title: Asset Management									
1. What might go wrong?		2. What will happen?		3. What do we do about it		Likelihood		Impact	
<ul style="list-style-type: none"> Failure to invest Insufficient budget 		<ul style="list-style-type: none"> Unable to make best choices 		<ul style="list-style-type: none"> Budget set aside and available for asset management 		Unlikely		Major	
<ul style="list-style-type: none"> Lack of long term planning Unwillingness to take long-term decisions Prioritisation of maintenance and repairs 		<ul style="list-style-type: none"> Financial waste Loss of income – e.g. as a result of closure Out of date decisions/ proposals No sense of delay costs Unnecessary spend Assets repaired to minimum degree 		<ul style="list-style-type: none"> 5 year planning through Asset Management Plan Decisions made in a timely fashion Better informed decision making Improved business cases following staff training 		Likely		Major	
<ul style="list-style-type: none"> Lack of market intelligence Expanding/ inflexible asset portfolio 		<ul style="list-style-type: none"> Unable to make best choices Poor decisions made 		<ul style="list-style-type: none"> Strong Estates team Asset Management Plan in place – (due to be updated) 		Unlikely		Moderate	
4. What more do we need to do?				Comments		Target Date	Completed Date	Responsible Officer	
Future actions include: <ul style="list-style-type: none"> Update the Asset Management Plan Continue to work closely with leadership team Improved engagement with broader spectrum of local people Fill existing vacant posts in the Estates Team and review capacity to deliver as projects progress Implement a new IT system in Estates to improve record keeping and to support the maintenance and repairs programme Continue to progress the programme of condition surveys 						Feb 2016		HoE	

Risk Ref: CR3	Risk Score 2015:	Likelihood= Likely Impact = Major	Previous Score:	Likelihood = Probable Impact = Major	Risk Owner: Assistant Director (Policy & Planning)				
Risk Title: Programme Management and Major Projects									
1. What might go wrong?		2. What will happen?			3. What do we do about it			Likelihood	Impact
<ul style="list-style-type: none"> Over ambitious Council Willingness to increase the programme without sufficient regard to resources Staff overburdened Insufficient staff capacity 		<ul style="list-style-type: none"> Slippage of capital programme expenditure Staff motivation, overload Strain on capacity 			<ul style="list-style-type: none"> Close working between project and finance teams, Regular project team meetings to discuss progress and issues 			Highly Likely	Major
<ul style="list-style-type: none"> Political short term aspirations Delayed decisions / political push 		<ul style="list-style-type: none"> Damaged reputation Public criticism Missed or overlooked opportunities Poor borrowing/ investment results Wasted time and effort 			<ul style="list-style-type: none"> Close working with councillors and leadership 			Likely	Major
<ul style="list-style-type: none"> Decisions swayed by vocal minority Lack of information about local public views 		<ul style="list-style-type: none"> Sub-optimal decisions Poor decisions Poor quality outcomes 			<ul style="list-style-type: none"> Improved public perception and understanding of issues Improved public consultation/ early engagement Better proactive communications 			Likely	Major
<ul style="list-style-type: none"> Lack of prioritisation of major projects including addition of new projects Poor management of project interactions 		<ul style="list-style-type: none"> Projects overlapping Poor project prioritisation Project 'gridlock' 			<ul style="list-style-type: none"> Robust project management system in place PRINCE2 trained project managers Better business case training Programme management group to consider and identify issues Identification of additional resource requirements for internal and external support 			Likely	Major

4. What more do we need to do?	Comments	Target Date	Completed Date	Responsible Officer
Future actions include: <ul style="list-style-type: none"> • Programme Management to be improved through better allocation of staff resources in key areas • Additional resources required clearly identified and met • Review remuneration package to improve staff recruitment and retention • Embed improved approach to consultation and engagement throughout our programme 		All actions are on an ongoing basis to consistently review and refine our programme management framework.		AD(P&P)

Risk Ref: CR4	Risk Score 2015:	Likelihood= Unlikely Impact = Moderate	Previous Score:	Likelihood = Probable Impact = Major	Risk Owner: Chief Operating Officer				
Risk Title: Governance and Control Weaknesses									
1. What might go wrong?		2. What will happen?		3. What do we do about it			Likelihood	Impact	
<ul style="list-style-type: none"> Insufficient scrutiny by Members Poorly informed decision making 		<ul style="list-style-type: none"> Exposure to challenge Difficulty making decisions Delayed decisions 		<ul style="list-style-type: none"> Annual scrutiny programme Scrutiny training for Members Robust Overview and Scrutiny Committee Governance review underway 			Unlikely	Moderate	
<ul style="list-style-type: none"> Inability to keep up with frequent changes to law Ability to implement new legislation 		<ul style="list-style-type: none"> Inability to comply with legislation Possible fines Outdated procedures 		<ul style="list-style-type: none"> Regular training and Continuous Professional Development (CPD) for staff Cross authority officer networks, knowledge sharing 			Unlikely	Moderate	
<ul style="list-style-type: none"> Lack of officer awareness of governance requirements Inadequate training for managers on their responsibilities 		<ul style="list-style-type: none"> Poor decisions taken Incorrect advice given to Members 		<ul style="list-style-type: none"> Staff training programme City Voice, Core Brief and team meetings used to inform staff of requirements 			Unlikely	Moderate	
<ul style="list-style-type: none"> Poor compliance monitoring Poor response to issues flagged by audit 		<ul style="list-style-type: none"> Increased "limited or no assurance" audit opinions 		<ul style="list-style-type: none"> Management actions agreed to respond to audit observations/weaknesses Regular monitoring of outstanding audit actions by Performance Management Team and Audit Committee 			Unlikely	Moderate	
4. What more do we need to do?				Comments			Target Date	Completed Date	Responsible Officer
Future actions include: <ul style="list-style-type: none"> Actions to address issues raised by Claer Lloyd-Jones 							TBC		CX

<p>Independent Review</p> <ul style="list-style-type: none"> • Roll out and embedding of updated Risk Management Policy • Implementation of Local Government Boundary Commission Review and changes to governance arrangement accordingly • Review of Overview and Scrutiny procedures • Ensure all managers understand governance requirements <ul style="list-style-type: none"> • Undertake Community Governance Reviews 		<p>March 2016</p> <p>April 2016</p> <p>Summer 2016 (to take account of implications of Boundary Commission Review)</p> <p>Summer 2016 onwards</p>		<p>HoP&P</p> <p>CX/COO</p> <p>HoP&P</p> <p>HoL&D</p>
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Risk Ref: CR5	Risk Score 2015:	Likelihood= Unlikely Impact = Major	Previous Score:	Likelihood = Probable Impact = Major	Risk Owner: Chief Finance Officer	
Risk Title: Financial Stability						
1. What might go wrong?		2. What will happen?		3. What do we do about it		Likelihood
Government funding less than assumed in medium term financial projections e.g. New Homes Bonus, RSG, Council Tax freeze grant		Budget may become imbalanced in the medium or short term.		<ul style="list-style-type: none"> Accelerate savings plans and income growth. Utilise available reserves and revise future spending plans. 		Likely
Failure to achieve income targets; flawed assumptions or unforeseen event impacts on demand.		Budget will be imbalanced in the short term.		<ul style="list-style-type: none"> Revise budget utilising strategies to bring into balance in the short and the long term. 		Unlikely
Actual capital programme delivered differs significantly from medium term financial plan assumptions; e.g. overspends or under-delivery of forecast financial benefits		<ul style="list-style-type: none"> Delayed spending could lead to over-borrowing and avoidable costs Overspending could result in costs outweighing the benefits 		<ul style="list-style-type: none"> Seek to ensure robust Financial Due Diligence that identifies sensitivity to key financial risks Develop financial programme monitoring tools 		Likely
Failure to get to grips with Transformation Programme		<ul style="list-style-type: none"> Savings needed to balance the budget will not be made and the priorities will not be achieved 		<ul style="list-style-type: none"> Assign clear accountability, targets and monitoring and ensure adequately resourced to deliver change 		Likely
Lack of finance and financial capacity to do the 'nice to have' projects		<ul style="list-style-type: none"> Missed opportunities 		<ul style="list-style-type: none"> Produce a balanced plan 		Unlikely
Penalties are imposed on the Council due to failing performance standards in services such as Planning		<ul style="list-style-type: none"> Possible loss of income. 		<ul style="list-style-type: none"> Monitor and review performance Ensure adequate staff resources are in place to maintain Improve performance as required 		Unlikely

4. What more do we need to do?	Comments	Target Date	Completed Date	Responsible Officer
Future actions include: <ul style="list-style-type: none"> • Develop financial resilience strategy • Clarify income generation strategy • Explore Invest to Save options • Develop Reserves policies • Develop cash flow forecasting and borrowing strategy 		February 2016 2016-17		CFO AD(P&P) HoE CFO CFO

Risk Ref: CR6	Risk Score 2015:	Likelihood= Likely Impact = Major	Previous Score:	Likelihood = Probable Impact = Major	Risk Owner: Chief Executive				
Risk Title: Staff Engagement									
1. What might go wrong?		2. What will happen?			3. What do we do about it			Likelihood	Impact
<ul style="list-style-type: none"> Reduction in staff moral 		<ul style="list-style-type: none"> Objectives and targets not met Reduction in productivity Increase sickness and absence 			<ul style="list-style-type: none"> Staff appraisals Staff learning and development programme liP Gold accreditation 360 appraisals Regular Staff Engagement Survey- (Best Places to work (Not for Profit)) to monitor trends and develop detailed action plans to address issues Ensure staff policies and procedures are fairly and consistently applied Provide an up to date working environment and organisation culture Regular staff engagement and recognition activities One Team approach Task and Finish groups working on transformation on identified issues 			Likely	Major
<ul style="list-style-type: none"> Reduction in the ability to recruit staff 		<ul style="list-style-type: none"> Expensive agency staff used Increase in the use of temporary staff Increased recruitment expenditure and costs 			<ul style="list-style-type: none"> Reward Strategy Pay Strategy Role Reviews Apprenticeship Scheme 			Likely	Major

Risk Ref: CR6	Risk Score 2015:	Likelihood= Likely Impact = Major	Previous Score:	Likelihood = Probable Impact = Major	Risk Owner: Chief Executive				
Risk Title: Staff Engagement									
1. What might go wrong?		2. What will happen?		3. What do we do about it			Likelihood	Impact	
				<ul style="list-style-type: none"> Partnership working concentrating in areas of national skills shortages Monitor trends and role profile information and develop action plans to address any emerging issues 					
<ul style="list-style-type: none"> Reduction in the ability to retain staff 		<ul style="list-style-type: none"> Loss of expertise and knowledge 		<ul style="list-style-type: none"> Talent Management and Succession Planning One Team approach Monitor trends, staff profile information and staff exit information to identify any issues and develop appropriate actions 			Likely	Major	
4. What more do we need to do?				Comments			Target Date	Completed Date	Responsible Officer
Future actions include: <ul style="list-style-type: none"> People Strategy Pay and Reward Strategy Talent Management and Succession Plan Work with Partners to address issues and build capacity and resilience. 							December 2015 March 2016		HoOD

Risk Ref: CR7	Risk Score 2015:	Likelihood= Unlikely Impact = Moderate	Previous Score:	Likelihood = Probable Impact = Major	Risk Owner: Assistant Director (Economy and Communities)				
Risk Title: Environmental Risks									
1. What might go wrong?		2. What will happen?		3. What do we do about it		Likelihood		Impact	
<ul style="list-style-type: none"> Political disagreement about plans (e.g. Air Quality, parking provision in Winchester) 		<ul style="list-style-type: none"> Targets missed Damage to reputation Adverse publicity 		<ul style="list-style-type: none"> Work with political groups to understand their priorities and explain consequences of changes of policy. 		Likely		Moderate	
<ul style="list-style-type: none"> Poor maintenance and /or inspection of Sewage Treatment Works 		<ul style="list-style-type: none"> Plant failure Damage to reputation 		<ul style="list-style-type: none"> Regular inspections and monitoring in place 		Unlikely		Major	
<ul style="list-style-type: none"> Failure to meet Air Quality targets 		<ul style="list-style-type: none"> Adverse publicity Damage to reputation Potential fines 		<ul style="list-style-type: none"> Car parking pricing strategy Park and Ride service including review with potential for lower emissions buses in 2016 Obtain pollution apportionment data to inform future decisions 		Highly Unlikely		Moderate	
<ul style="list-style-type: none"> Failure to achieve recycling targets 		<ul style="list-style-type: none"> Negative impact on the environment Damage to reputation 		<ul style="list-style-type: none"> Waste minimisation plan agreed Activities to promote recycling carried out (e.g. Great Waste campaign) Promotional advertising aimed at residents to recycle Green waste collection service Agreed plans in place to deliver waste minimisation targets 		Unlikely		Moderate	
<ul style="list-style-type: none"> No reduction in carbon emissions 		<ul style="list-style-type: none"> Failure to achieve carbon reduction 		<ul style="list-style-type: none"> Low Carbon Route Map in 		Unlikely		Moderate	

Risk Ref: CR7	Risk Score 2015:	Likelihood= Unlikely Impact = Moderate	Previous Score:	Likelihood = Probable Impact = Major Risk Owner: Assistant Director (Economy and Communities)
Risk Title: Environmental Risks				
1. What might go wrong?	2. What will happen?	3. What do we do about it	Likelihood	Impact
	targets <ul style="list-style-type: none"> • Adverse publicity • Damage to reputation 	place <ul style="list-style-type: none"> • WCC Carbon Reduction Plan in place • Regular monitoring of emissions via independent assessors • WCC commissioned building works to incorporate low carbon technology (extent/level to be agreed as part of project planning) • Low Carbon Board providing regular training/information for Members 		

Risk Ref: CR7	Risk Score 2015:	Likelihood= Unlikely Impact = Moderate	Previous Score: Likelihood = Probable Impact = Major	Risk Owner: Assistant Director (Economy and Communities)	
Risk Title: Environmental Risks					
1. What might go wrong?	2. What will happen?	3. What do we do about it	Likelihood	Impact	
<ul style="list-style-type: none"> • Extreme weather events, e.g. unforeseen or extended hot or cold period 	<ul style="list-style-type: none"> • Flooding to the city or villages in the District • Infrastructure damage • Property damage • Service disruption • Service disruption – e.g. refuse collections, tenant repairs • Reputational damage 	<ul style="list-style-type: none"> • Business Continuity Plans in place • Adverse weather plans – e.g. refuse collection • Internal Audit of Business Continuity Plans included in Audit Programme for 2015/16 • Flood defence works e.g. wall at Water Lane, • Purchase of portable flood defence barrier • Encourage development of local Flood Action Groups • Regular training for staff involved in emergency planning • Implementation of Repair and Renew Grant scheme 14/15 providing greater flood resilience to premises 	Likely	Major	

4. What more do we need to do?	Comments	Target Date	Completed Date	Responsible Officer
Future actions include: <ul style="list-style-type: none"> • Expand Park and Ride sites and service • Low emission (Euro 6) park and ride buses to be introduced • Review specification of refuse freighters for lower emission vehicles • Explore Solar PV project (Town Forum) • Ensure that air quality is a key component of all future transport/access plans for the city centre 		December 2016 and then ongoing		AD (Env)

Risk Ref: CR8	Risk Score 2015:	Likelihood= Unlikely Impact = Major	Previous Score:	Likelihood = Probable Impact = Major	Risk Owner: Assistant Director (Economy and Communities)
Risk Title: Commissioning					
1. What might go wrong?	2. What will happen?	3. What do we do about it	Likelihood	Impact	
<ul style="list-style-type: none"> Lack of shared vision within partnerships 	<ul style="list-style-type: none"> Unable to deliver priorities Partnership breakdown Lack of cohesion within partnership Loss of control Wasted resources 	<ul style="list-style-type: none"> Work closely with partners to ensure that a shared vision is maintained Regular partnership meetings Robust governance arrangements for partnerships Formal partnership agreements in place 	Unlikely	Moderate	
<ul style="list-style-type: none"> Failures within procurement process 	<ul style="list-style-type: none"> Financial penalty Litigation Unable to secure best price or VFM 	<ul style="list-style-type: none"> Professional advice available from both within and outside the Council Robust procurement and contract procedure rules in place Commissioning procedures in place Teams set up to manage procurement process for larger contracts Clear financial procedures and regulations in place 	Unlikely	Major	
<ul style="list-style-type: none"> Lack of core skills to successfully commission services 	<ul style="list-style-type: none"> Services not commissioned or delayed Unable to secure best price/VFM Litigation Financial penalty 	<ul style="list-style-type: none"> Specialist staff training and increased awareness. <ul style="list-style-type: none"> Professional advice available from both within and outside the Council 	Unlikely	Major	

Risk Ref: CR8	Risk Score 2015:	Likelihood= Unlikely Impact = Major	Previous Score:	Likelihood = Probable Impact = Major	Risk Owner: Assistant Director (Economy and Communities)				
Risk Title: Commissioning									
1. What might go wrong?		2. What will happen?		3. What do we do about it			Likelihood	Impact	
				<ul style="list-style-type: none"> Robust procurement and contract procedure rules in place Teams set up to manage procurement process for larger contracts Clear financial procedures and regulations in place Contract Management 					
<ul style="list-style-type: none"> Ability to understand what is meant by commissioning 		<ul style="list-style-type: none"> Commissioning opportunities/ alternative service delivery options missed 		<ul style="list-style-type: none"> Staff training and improved awareness 			Likely	Moderate	
<ul style="list-style-type: none"> Failure of contractors to deliver services 		<ul style="list-style-type: none"> Service disruption Financial penalty Damage reputation Adverse publicity 		<ul style="list-style-type: none"> Regular client/contractor meetings to discuss issues as they arise Audit for Environmental Services Contract in the Audit Plan for 2015/16 			Likely	Major	
4. What more do we need to do?				Comments	Target Date	Completed Date	Responsible Officer		
Future actions include: <ul style="list-style-type: none"> Explore procurement support from another local authority Different procurement models introduced Update the Procurement Policy and review training for heads of team 					Dec 2016 Ongoing July 2016		CFO ADs HoL&D		

Risk Ref: CR9	Risk Score 2015:	Likelihood= Unlikely Impact = Major	Previous Score:	Likelihood = Probable Impact = Major	Risk Owner: Chief Executive
Risk Title: Transformation					
1. What might go wrong?	2. What will happen?	3. What do we do about it	Likelihood	Impact	
<ul style="list-style-type: none"> Budget savings driving the Transformation Programme rather than the intention to provide an efficient service in areas of the business which have been prioritised 	<ul style="list-style-type: none"> Service levels reduced to save money Efficiencies not always identified or realised Impact on staff morale Increased staff turnover, difficulty to recruit Opportunities taken for savings where they arise rather than where they are planned 	<ul style="list-style-type: none"> Create a properly scoped Transformation Programme which takes account of individual work streams within it to ensure the aim of supporting the medium term budget is balanced with maintaining acceptable and stable levels of service. 	Unlikely	Major	
<ul style="list-style-type: none"> Long-term plans not in place with clear understanding of future budget position and implications for service delivery 	<ul style="list-style-type: none"> Unable to reach or achieve long term objectives 	<ul style="list-style-type: none"> Develop clear and comprehensive transformation programme 	Unlikely	Major	
<ul style="list-style-type: none"> Inadequate and or lack of dedicated resources allocated to the review process 	<ul style="list-style-type: none"> Assessment and Business Process Review work will not be completed 	<ul style="list-style-type: none"> Provide adequate resources either internally or externally. 	Likely	Major	
<ul style="list-style-type: none"> Lack of staff support for the process 	<ul style="list-style-type: none"> Impact of identifying successful outcomes 	<ul style="list-style-type: none"> Staff engagement in the process and use of good communications 	Likely	Moderate	
<ul style="list-style-type: none"> Lack of delivery of new technology and digitisation of processes to support reviews 	<ul style="list-style-type: none"> Impact on service delivery and staff 	<ul style="list-style-type: none"> Provide adequate resources to deliver and build into the process from the outset. 	Unlikely	Moderate	

4. What more do we need to do?	Comments	Target Date	Completed Date	Responsible Officer
Future actions include: <ul style="list-style-type: none"> • Agree and communicate long term objectives and aspirations for the Council to staff • Provide adequate resources to deliver programme of reviews • Use suitable, recognised and tested approaches and processes • Engage Staff throughout the process in reviews • Clearly set out responsibilities for delivery of programme and ensure through regular monitoring that this is adhered to and that other priorities do not impact on delivery. 		All actions are ongoing throughout the process.		CMT ADs, HoOD, HoP&P

Chief Executive	CX	Chief Operating Officer	COO
Corporate Director	CD	Assistant Directors	ADs
Assistant Director (Policy & Planning)	AD (P&P)	Assistant Director (Environment)	AD (Env)
Head of Estates	HoE	Head of Legal & Democratic Services	HoL&D
Head of Organisational Development	HoOD	Head of Policy & Projects	HoP&P