

Report to	<b>Audit Committee</b>
Date	<b>17 April 2012</b>
By	<b>Director of Corporate Services</b>
Title of Report	<b>Corporate Risk Register</b>
Purpose of Report	<b>To present a revised corporate risk register as at March 2012</b>

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**Recommendation: The Committee is recommended to:**

- 1) approve the Corporate Risk Register as at March 2012**
  - 2) consider if any risks should be referred to the Resources and Performance Committee**
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**1. Introduction**

- 1.1 To present the South Downs National Park Authority (SDNPA) Corporate Risk Register as at March 2012.

**2. Background**

- 2.1 The Audit Committee has terms of reference which include "... to ensure the robustness of risk management and performance management arrangements". At its meeting on 5 April 2011 the Audit Committee agreed a corporate Risk Management Strategy and the Corporate Risk Register for March 2011. The Risk Management Strategy will be reviewed annually. This was done at the 18 January 2012 Audit Committee. The Corporate Risk Register is reported to each meeting of the Audit Committee.

**3. The Corporate Risk Register**

- 3.1 **Appendix 1** shows the risks in graphic way which allows Members to see at a glance the likelihood and impact of risks, how they have moved, and which are new.
- 3.2 The latest risk register (as at March 2012) is attached at **Appendix 2**. Only high and significant risks are included in the register for the Audit Committee. In some cases the risks have changed or no longer exist. When the latter happens they will be marked closed on the spreadsheet and distinguished by grey shading. These items will be deleted before the register is next presented.

**4. Changes since January 2012**

- 4.1 The risk register presented in January had two high and 12 significant risks. The risk register for March has four high risks and 10 significant risks. There are two new risks. Two risks have been closed.
- 4.2 Of the high risks reported in January both risk 48 (the IDOX project) and risk 53 (Implementation of 3 large projects at the same time) have been reduced to significant. The IDOX risk have been reduced as it is no longer seen as likely that it will happen. Risk 53 has reduced, as the ICT recruitment is complete and at least one of the major contracts have been let.
- 4.3 Of the high risks, all have increased since the last report. Risk 55 (Multiple pressures) has been revised to reflect the pressure across the organisation rather than in one directorate and the likelihood has changed to be almost certain. Prioritisation exercises to manage this risk will be carried out in the development of the 2012-13 service plans and reflected in individual performance objectives for staff.

- 4.4 Risk 45 has been amended to include reference to services recovered from Local Planning Authorities and the impact changed from moderate to major. New staff have been recruited as part of the mitigation for this risk.
- 4.5 Risk 33 ( delay to the implementation of the Estates Strategy) This risk has been separated out from the Capron House move (new risk 56) and is high because the likelihood has changed to almost certain. However the Estates and Administration Manager is now in post and will be able to focus on the development of the strategy.
- 4.6 Risk 41 has moved because the impact has changed from minor to moderate.
- 4.7 Of the significant risks 5, 31, 37, 44, 46 and 49 have remained at the same level.
- 4.8 Two additional new risks have been identified, all of the new risks have been assessed as significant.
- Risk 56 relates to Capron House and was formerly part of a broader risk which included the Estates Strategy. The Capron House project will have it's own risk register and any high project risks will be escalated to the Corporate Risk Register.
  - Risk 57 relates to the risk to the organisation of not taking effective action as a result of the outcomes from the staff survey and the Member away day on 22 February.

## **5. Conclusion**

- 5.1 The Committee is asked to approve the Corporate Risk Register as at March 2012.
- 5.2 The Committee is asked to consider if there are any risks which should be referred to the Resources and Performance Committee as they have significant resource implications.
- 5.3 The Audit Committee will receive a further update of the Risk Register at its meeting on 12 June 2012.

## **6. Resources**

- 6.1 There are no additional resource requirements arising from this report.

## **7. Risk management**

- 7.1 The report outlines the current risks facing the Authority and how they will be mitigated.

## **8. Human Rights, Equalities, Health and Safety**

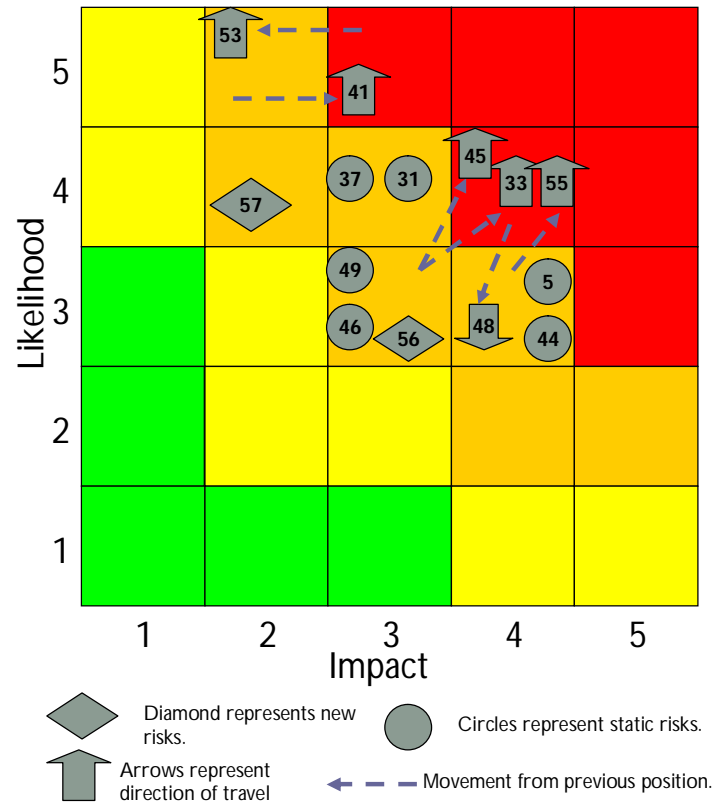
- 8.1 There are no implications arising from this report.

## **9. External Consultees**

- 9.1 None.

## **HÉLÈNE ROSSITER Director of Corporate Services**

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Appendices	Appendix 1 Risk Graphic Appendix 2 Corporate Risk Register
SDNPA Consultees	Chief Executive Officer, Director of Corporate Services, Director of Planning, Director of Strategy and Partnerships, Head of Operations, Chief Finance Officer, Deputy Chief Finance Officer, Monitoring Officer & Senior Solicitor.
Background Documents	Report to Audit Committee 18 January 2012 AC 01/12 Report to Audit Committee 27 September 2011 AC 28/11 Report to Audit Committee 10 June 2011 Item AC 18/11



Impact	Definition
1	Insignificant: difficult to see how it could occur
2	Minor: parts of organisation may be required to change plans
3	Moderate: organisation and/or budget affected
4	Major: change in organisation's direction/strategy required and/or significant financial impact
5	Catastrophic: organisation's core purposes are under threat and/or severe financial impact

Risk No.	Dir.	Description
55	SMT	Multiple pressures across the Organisation
45	PLG	Lack of capacity to manage Development Management
33	CS	Delay to implementation of Estates strategy
41	PLG	Increase in the numbers of planning applications
48	PLG	Lack of capacity to support IDOX implementation
44	PLG	Failure to produce Local Development Framework or Core Strategy
5	CS	Organisation, ownership & resilience of corporate systems
53	CS	Implementation of 3 large projects at the same time: IDOX, ICT new provider, Financial Services new provider
31	OPS	Changes in functions from SDJC to SDNPA perceived negatively
37	CS	Health & Safety of staff
46	PLG	SDNPA fails to add value to the planning system
49	CE	Peer Review does not result in positive outcome
56	CS	Capron House refurbishment and moves not completed on time & budget
57	CE	Failure to take effective action after staff survey and member away day

Likelihood	Definition
1	Almost impossible: difficult to see how it could occur
2	Unlikely: do not expect occurrence but it is possible
3	Possible: may occur occasionally
4	Likely: will occur but is not an every day occurrence
5	Almost certain: high probability of situation occurring

RISK REGISTER MARCH 2012

Agenda Item 7 Appendix 2

Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
A	55	Multiple pressures for delivery across the organisation	Management Plan suffers and SDNPA lacks capacity to support other work such as advising on major projects. Potential knock on effect on LDF preparation with emerging issues not being incorporated. Increasing demands / expectations on Ops team leads to failure to deliver on the wide range of NPA priorities.	Good communication and cross-departmental co-operative working Effective work prioritisation process Active management of time and priorities Clarity on timetable Rebalancing resources and priorities monitored through the Business Plan and Service plan process		Likely (4)	Major (4)	SMT	High	05/03/2012	
B	45	Lack of capacity to manage Development Management function effectively, especially around enforcement issues, having regard to recovery of service	Unwanted developments not enforced against Lack of consistency (Reputational) (Operational) (Legal)	Review of Development Management function Jan 2012 New staff resources recruited and in place New structure in place with greater use of Link Officers		Likely (4)	Major (4)	PLG	High	05/03/2012	
C	33	Implementation of Estates Strategy is delayed or cannot be fully implemented	Possible disruption to staff and Members Impact on business continuity (Organisational)	Longer term leasing of space in Hatton House to cover for project slippage Taking additional space in Penns Place to cover for project slippage Estate Manager now in post to oversee day-to-day estates and facilities issues		Almost Certain (5)	Moderate (3)	CS	High	05/03/2012	
D	41	Increase in numbers of Planning Applications or reduction in fee income affects SDNPA spending	Increased cost of delegation would result in use of Planning Delivery reserve (Financial)	Active monitoring of numbers and costs Benchmarking to assist in reducing costs Close review on planning fee income projection Appointed fixed term Contract Compliance officer Reduce payments Corporate budget will cover fee reduction		Almost Certain (5)	Moderate (3)	PLG	High	05/03/2012	
E	48	IDOX Project is under resourced to deliver to timescale	Delay project beyond April 2012 (Operational) (Reputational)	Planning admin manager allocating adequate time to the project for the development of the SDNPA templates and reports Allocating 2 days a week on the project until backfill post Provided with laptop to work from home Recruiting for backfill post to allow planning admin manager to work full time on project Provide Planning admin manager with clear work programme and regular 1:1s Admin support now in place		Possible (3)	Major (4)	CE	Significant	05/03/2012	
F	44	Failure to produce Local Development Framework (LDF) or Core Strategy	Makes the National Park vulnerable to appeals of planning decisions After 2014 the Government will introduce legislation which allows a presumption in favour of sustainable development which will affect SDNPA decisions	Recruited extra capacity to deliver planning policy (2 LDF fixed terms contract) Establish clear milestones for LDF and effective programme management Link with management plan work, particularly the evidence base		Possible (3)	Major (4)	TS	Significant	05/03/2012	

Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
G	5	Failure to manage adequately and develop key corporate systems e.g. ICT, finance, FOI, data protection, legal, facilities	The processes and systems introduced are not sufficiently understood/operated leading to potential inability to deliver SDNPA functions (Reputational) (Legal) (Financial) (Operational)	Increase in staff to develop and manage Estates Strategy and facilities management Permanent ICT team in place Improvements to staff induction to include policies and procedures Comprehensive HR Strategy being developed Key processes mapped, based on risk analysis Specific objective included in 2012-13 Business Plan		Possible (3)	Major (4)	HR	Significant	05/03/2012	
H	53	Implementation of 3 large contracts at the same time: IDOX ICT new provider - lack of continuity of specialist staff Finance new provider	Organisational resilience and management of change capacity. Potential discontinuity of service and potential for some functions not to be delivered. (Reputational) (Operational) (Financial)	Project Management in place to include handover arrangements and management of change. Recruitment of permanent ICT complete. Major procurements now in advanced stages and the impact of the changes has reduced because of this.		Almost Certain (5)	Minor (2)	HR	Significant	05/03/2012	
I	31	Changes in South Downs Joint Committee functions (eg Rights of Way management, Dutch Elm Disease control) not transferring to SDNPA have an adverse impact on the public's perception of the National Park Authority.	Possible perceived deterioration of Rights of Way management and Dutch Elm Disease control attributed to the SDNPA  (Reputational) (Financial)	Clear communications to the public on where responsibilities lie Use influence to seek effective way forward for these functions through partners Agreed accords in place with Highways Authorities by March 2012 SDW officer in post Funding agreed for National Trail post Develop a clear set of messages about functions such as Rights of Way Rights of Way working group established Member Group has finished but an officers group has been set up with Highways Authorities Some evidence that key messages about responsibilities are becoming known		Possible (3)	Moderate (3)	PB	Significant	05/03/2012	
J	37	Health & Safety of staff, particularly lone workers and volunteers	Breach of statutory duty, claims/litigation, costs, lost productivity due to absence from work (Operational) (Financial) (Legal)	Services of an external H&S consultant retained Revise existing JC H&S policies so more relevant to the organisation Agree H&S Strategy and Responsibilities Include relevant H&S elements in the induction programme for non JC staff Establish action plan for H&S committee H&S Committee re-established with quarterly meetings		Possible (3)	Moderate (3)	HR	Significant	05/03/2012	

Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
K	46	SDNPA fails to add value to planning system particularly Development Management	Failure to improve quality of the planning service Failure to improve cost effectiveness of the planning service across the National Park (Reputational)	Review section 101 agreements for quality and cost quarterly Annual review of overall service Jan 2012 Implement recommendations from managing excellent planning services process Managing Excellent Planning Services (MEPS) exercise completed and informing new service level agreements Agree SLAs with all Local Authorities by June 1st and embed good processes through UNIFROM/IDOX		Possible (3)	Moderate (3)	TS	Significant	05/03/2012	
L	49	The Peer Review of the SDNPA does not result in a positive outcome	The outcome of the peer review due in November 2012 damages staff morale or the SDNPA's external relations and public image. (Organisational) (Reputational)	Advance planning for review Gap analysis undertaken Interim review undertaken Action plan prepared Close liaison with the Review Team and appropriate support Incorporate the Peer Review recommendations into the SDNPA business plan Task Group set up to look at sustainability issues across the Authority		Possible (3)	Moderate (3)	TB	Significant	05/03/2012	
M	56	Capron House refurbishment and moves not completed on time or within budget	Possible disruption to staff and Members Impact on business continuity Possible impact on budget (Organisational) (Financial)	Dedicated project management resource to oversee the project Appointment of specialist external advisers and architects to work with the project manager Strong project management approach Maintenance of a project risk register with appropriate escalation to corporate risk register		Possible (3)	Moderate (3)	HR	Significant	05/03/2012	New
N	57	Failure to take effective action as a result of the findings from the staff survey and member awayday	Effect on morale of staff which has a knock on effect on the services delivered (Operational) (Reputational)	Clear action plan developed with staff Staff workshop to develop action plan Follow up work carried out with members Continued external facilitation for staff survey follow up work		Unlikely (2)	Major (4)	TB	Significant	05/03/2012	New
O	50	Agreeing payments to local planning authorities for 2012-13 cannot be completed by 31 January 2012 and / or adversely affects the 2012-13 budget plans	Delays in agreeing payments affects the ability of the SDNPA to agree its annual budget. Fee levels above the level forecast in the Medium Term Financial Strategy affect other budget and spending priorities (Reputational) (Financial) (Operational)	Begin negotiations with LPAs in October 2011 Set out clear expectations on the timetable and information required Link Officer work ceased to free up time to resource to identify and manage payment negotiations	There are some financial reserves but these are also intended to cover other potential risks	Likely (4)	Moderate (3)	TS	Significant	05/03/2012	Closed
P	42	Failure to procure corporate support services with adequate handover	Inadequate transition to new providers Inadequate service from provider Changes required in the organisation as a result of the tender process	Specifications to incorporate adequate handover between new and old providers Interim support in place to support the procurement process		Possible (3)	Major (4)	HR	Significant	05/03/2012	Closed

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Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
61											
						<b>LIKELIHOOD</b>	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
						Almost Certain (5)	5	10	15	20	25
						Likely (4)	4	8	12	16	20
						Possible (3)	3	6	9	12	15
						Unlikely (2)	2	4	6	8	10
						Almost Impossible (1)	1	2	3	4	5