

Report to	Audit Committee
Date	18 January 2012
By	Director of Corporate Services
Title of Report	Corporate Risk Register
Purpose of Report	To present a revised corporate risk register as at December 2011

Recommendation: The Committee is recommended to:

1. **approve the Corporate Risk Register as at December 2011**
 2. **Consider if any risks should be referred to the Resources and Performance Committee**
-

1. Introduction

- 1.1 To present the South Downs National Park Authority (SDNPA) Corporate Risk Register as at December 2011.

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; 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 December 2011) 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 this 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 September 2011

- 4.1 The risk register presented in September had 1 high and 13 significant risks. The risk register for December has 2 high risks and 12 significant risks. There are 5 new risks (one of which was opened and closed between September and December 2011). 3 risks have been closed.
- 4.2 Of the high risks, 1 is a new. The first new risk which is also a high risk, is number 53 and relates to the impact of the implementation of three large contracts; ICT, IDOX (to support the processing of planning applications across the local authorities that SDNPA has agency agreements with), and Financial Services at the same time at the beginning of the new financial year. The second high risk is risk 48 which has moved, because the impact is now perceived to be major rather than moderate.
- 4.3 Of the significant risks 31, 44, 33, 46 and 49 have remained the same.
- 4.4 Of the significant risks 5, 37, 41, 45 and 48 (which has become a high risk as a consequence) have moved due to either increased likelihood or perceived increased impact.
- 4.5 The previous high risk 19 has been closed as it was felt that many of the mitigations had

been delivered. Risk 52 was opened and closed in the last period as it related to the risks to the organisation of not recruiting into the senior management team posts, the recruitment process is now complete and all posts have been filled, with two Directors starting and the Chief Executive due to start on 17 January 2012. Risk 25 was closed as it was superseded by being incorporated into risk 53.

- 4.6 Three additional new risks have been identified, all of the new risks have been assessed as significant.
- Risk 50 – is a risk related to not completing agreement on payments to local planning authorities for 2012/13 before 31 January 2012 with knock on effects on budget.
 - Risk 54 is the potential failure to deliver consistent and effective communications due to staff changes in the Communications Team.
 - Risk 55 – is a risk which partly incorporates the old risk 19 and is about the multiple pressures on Partnership Delivery Team to deliver strategy and on the ground services such as advice and support to projects and making grant applications.

5. Conclusion

- 5.1 Members are asked to approve the Corporate Risk Register as at December 2011.
- 5.2 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 17 April 2012.

5.4 Resources

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

6. Risk management

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

7. Human Rights, Equalities, Health and Safety

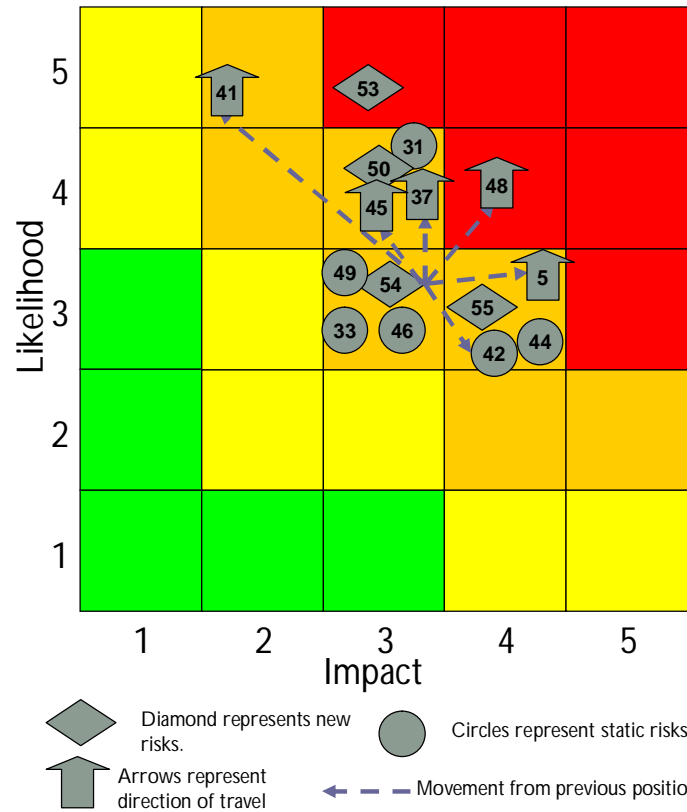
- 7.1 There are no implications arising from this report.

8. External Consultees

- 8.1 None.

HÉLÈNE ROSSITER Director of Corporate Services

Contact Officer:	Anne Rehill Performance and Business Planning Manger
Tel:	0300 303 1053
email:	anne.rehill@southdowns.gov.uk
Appendices	Appendix 1 Risk Graphic Appendix 2 Corporate Risk Register
SDNPA Consultees	Chief Executive Officer, Director of Corporate Services, Head 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 September 27 September 2011 AC 28/11 Report to Audit Committee 10 June 2011 Item AC18/11 Report to Audit Committee 5 April 2011 Item 10 AC 08/11



Risk No.	Dir.	Description
48	PLG	Lack of capacity to support IDOX implementation
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
44	PLG	Failure to produce Local Development Framework or Core Strategy
5	CS	Organisation, ownership & resilience of corporate systems
50	PLG	Agreeing payments to local planning authorities for 2012/13 not complete before 31 January 2012 with knock on effects on budget
41	PLG	Increase in the numbers of planning applications
42	CS	Procurement of robust and resilient support services
55	S&P	Multiple pressures on Partnership Delivery Team
54	S&P	Failure to deliver consistent and effective Communications internally and externally due to staff changes
33	CS	Delay to implementation of Estates strategy
37	CS	Health & Safety of staff
45	PLG	Lack of capacity to manage Development Management
46	PLG	SDNPA fails to add value to the planning system
49	CS	Peer Review does not result in positive outcome

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

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

STRATEGIC RISK REGISTER DECEMBER 2011

Appendix 2

Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
A	48	Lack of capacity within SDNPA to support the implementation of the IDOX system to support development management function	Possibility that the Planning system will not go live in April 2012, which will require the continuation of the current arrangements and create more work to put information onto the system when it does go live. (Operational) (Reputational)	Releasing Planning Admin Manager to support the implementation and back filling into the post Using Planning Services Development Manager to support programme Effective and close management of the IDOX contract; Strong project management controls used; Monitoring the pilot implementations and learning from them Reallocating people to project and prioritising tasks Cease requirement to capture and input historical data		Likely (4)	Major (4)	TS	High	14/12/2011	
B	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 staff begins in December.		Almost Certain (5)	Moderate (3)	HR	High	14/12/2011	
C	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 Seek to agree 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		Likely (4)	Moderate (3)	PB	Significant	14/12/2011	
D	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 supersede 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	14/12/2011	

Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
E	5	Organisation ownership and resilience of corporate systems (IT, finance, correspondence, FOI, data protection, legal, website, HR, H&S, premises)	The processes and systems introduced are not sufficiently understood/operated leading to inability to deliver SDNPA functions (Reputational) (Legal) (Financial)	Ensure effective procurement of support services and effective contract monitoring. Put in place appropriate policies by 31 March 2011; further policies (HR, information) to be developed Staff induction covers policies and procedures Manager workshop 23 March 2011 to help managers understand their new responsibilities Ongoing training being provided (HR, Procurement) Key processes mapped Key strategies (estates, ICT, Workforce) being prepared and submitted to R and P Committee Tender processes underway to identify external providers Cease requirement to capture and input historical data		Possible (3)	Major (4)	HR	Significant	14/12/2011	
F	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 sand spending priorities (Reputational) (Financial) (Operational)	Begin negotiations with the LPAs in October 2011 Set out clear expectations on the timetable and information required Link officer work ceased to free up 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)	HR	Significant	14/12/2011	New
G	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 (see 50 above)		Almost Certain (5)	Minor (2)	TS	Significant	14/12/2011	
H	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	14/12/2011	
I	55	Multiple pressures on Partnership Delivery Team	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	Good communication Effective work prioritization process Active management of time and priorities Clarity on timetable		Possible (3)	Major (4)	AL	Significant	14/122011	

Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
J	54	Multiple changes in personnel in the Communications Team all at the same time lead to an increased risk that some momentum is lost during the transition	Reduction in quality of work Inefficiencies and lack of knowledge Patchy or disjointed service delivery (Reputational) (Operational)	Good induction process		Possible (3)	Moderate (3)	AL	Significant	14/12/2011	
K	33	Implementation of Estates Strategy is delayed or cannot be fully implemented particularly management of move to Capron House	Possible disruption to staff and Members Impact on business continuity (Organisational)	Investigating longer term leasing of space in Hatton House to cover for project slippage Taking additional space in Penns Place to cover for project slippage Governance in place for the project Recruitment of Estate Manager to oversee day-to day estates issues and free up resource for Capron project Management		Possible (3)	Moderate (3)		Significant	14/12/2011	
L	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)	Adopt existing H&S policies Agree H&S Strategy Develop H&S induction programme for non JC staff Establish action plan for H&S working group H&S Working Group to be re-established		Likely (4)	Moderate (3)	HR	Significant	14/12/2011	
M	45	Lack of capacity to manage Development Management function effectively, especially around enforcement issues	Unwanted developments not enforced against Lack of consistency (Reputational)	Review of Development Management function Jan 2012		Likely (4)	Moderate (3)	HR	Significant	14/12/2011	
N	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	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 April 1st and embed good process through UNIFORM/IDOX		Possible (3)	Moderate (3)	TS	Significant	14/12/2011	
O	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)	RS	Significant	14/12/2011	

Line	Ref No	Description of Risk	Description of Impact	Mitigation	Contingency	Likelihood	Impact	Owner	Severity	Date reviewed	Review Date
P	19	Lack of balance between the requirement to produce long term strategies and the delivery of programmes and projects that have impact on the ground	Impact on development of productive partnerships and relationships with communities. Perception that the SDNPA isn't 'doing' anything or doing less than previously. (Reputational)	Development of a realistic management action plan Close working with people, communities and partners in the Park Established SDNPA Forum and Partnership Must spend SCF supporting the community Emerging priorities for Management Plan will identify projects within the community that require funding SDNPA must be seen to be proactively supporting the NP community Ensure sound and fully justified decisions taken and communicated Operations Team in place on the ground Effective performance information to demonstrate delivery on the ground Develop a comprehensive Communications strategy		Likely	Major	RS	High	14/12/2011	
Q	52	Discontinuities caused by the recruitment of new senior managers during 2011-13	Loss of knowledge as interim managers are replaced by permanent staff Current plans and programmes are affected by handover arrangements Established thinking on areas such as culture and guiding principles is lost or needs to be redone (Operational)	Ensure effective handover arrangements Briefings by other senior managers Planned workshops to transfer / develop knowledge (e.g. on budget planning)	No longer considered a risk now top team recruitment is complete	Possible (3)	Moderate (3)	RS	Significant	02/11/2011	
R	25	Inability to provide satisfactory delegated planning function in long term because IT solution is not implemented	Inability to provide satisfactory delegated planning function from 01 April 2012 because IT solution is not implemented. The retender of the ICT contract may also have an impact on the ability to support the implementation of the IDOX system (Operational) (Reputational)	Clear allocation of responsibilities on managing the contract and the supplier Clear specification of requirement prepared prior to procurement Work to realistic timescale, with adequate training and testing planned Resources & Performance Committee/SDNPA approved purchase of system Ensure adequate programme management during pre contract and implementation stages Testing on potential new supplier systems prior to IDOX implementation Pilots with two authorities first being run in October 2011 Milestones review, following outcome of pilots, w/c 1 November 2011		Likely (4)	Moderate (3)	TS	Significant	02/11/2011	