

## Two Unitary

### Item 9 – Risk register for the implementation of unitary status

#### Risk Register – generic

Risk	Likelihood (1-5 with 1 being low likelihood)	Impact 1-5 with 1 being low impact)	Further mitigating controls	Responsible officer
<b>Governance</b>				
Inconsistent and ineffective Leadership.	2 – The leadership needs to be provided jointly by Members and officers in a manner that allows the whole process to be driven efficiently. The appointment of the new leadership team has yet to take place and the process for the election of new members has yet to be determined.	4 – Ineffective leadership would be a fundamental weakness and have significant implications.	Discussions with Members will be held to both communicate what needs to be done and to ensure that there is as much consistency in policy as possible.	Phil Norrey, Chief Executive and change manager (to be appointed).
Opposition to the scheme of localisation and community boards.	1 – The scheme of having community boards and limited delegated budgets has been discussed but the development of detailed plans and agreement to them has yet to take place.	4 – The business case includes financial allowance for the development of the community boards but not the impact of different operating practices in the areas covered by the board. If members were minded to	The business case has been developed with the existing County administration and with officer support.	Phil Norrey, Chief Executive and change manager (to be appointed).

		adopt greater delegation this would inhibit the ability to achieve savings by way of standardisation.		
Ineffective cross public sector working.	2- For the whole county approach there is less risk of ineffective working as the boundaries of the other public sector agencies will be aligned. Alignment of boundaries and common population groups has been shown to be a key ingredient to successful partnering with the PCT and the LAA generally.	1 – For the whole county approach the likelihood seems small and further the existing fragmentation linked to district areas will cease and greater co-ordination will be possible for services such as housing and planning.		Phil Norrey, Chief Executive and change manager (to be appointed).
<b>Legislative change</b>				
Inefficiently coping with legislative change at the time of LGR.	2 – There are changes that will and may impact on the authority regardless to the outcome of the LGR process. One is the development and introduction of individual budgets for those receiving services from social services. Another is carbon trading which impact on individual properties such as schools. The existing information suggests that the financial impact of carbon trading is small.	2 – The existing authority has a good record of coping with change but introducing any legislative change alongside other changes poses a greater risk as resources will be under pressure.		Edward Chorlton, Deputy Chief Executive (carbon trading) and David Johnstone (adult care services).
<b>Services</b>				
Ineffective change	2 – The Council	2 - Full time transition team	Reporting at board level will	Phil Norrey, Chief Executive

management / transition planning / changeover training.	recognises the need for focused and effective transition arrangements and will appoint a board level manager to lead the transition team.	working to a comprehensive transition plan will limit the potential operational impact.	allow progress to be monitored and work streams refocused if implementation begins to stall.	and change manager (to be appointed).
Disruption to public facing services caused by poor planning / implementation of changes.	2 – Services will be provided at a local level with the majority of staff providing services carrying over unchanged from districts.	4 – Potentially a significant impact but transition designed to minimise disruption.	Transition planning and board level review to manage response to poor performance.	Phil Norrey, Chief Executive and change manager (to be appointed).
Deterioration in service delivery.	See the separate risk registers for the Devon Unitary.			
Breakdown in internal support systems owing to the changes and impact of LGR.	2 – Continuing internal support services will be available but will come under strain during the transition phases of the processes especially as senior members of the transition team will be recruited from this area.	2 – The impact of support breakdown would be initially less important than a service delivery breakdown but it would not be without knock on effects especially if the problem was not urgently addressed.	The difficulty arising in respect of internal support facilities (Finance, Legal, ICT, HR, etc) will be mitigated by ensuring that a clear accountability framework is established.	John Mills – Director of Finance (Finance and IT).  Heather Barnes – Director of Personnel and Performance (HR).  Roger Gash, County Solicitor (Legal).
<b>Public Relations</b>				
Failure to meet expectations for council tax levels.	4 – Public perception will be difficult to manage given the media campaigns undertaken to date.	4 – Impact on operations limited but significant potential for taxpayers and clients to be sceptical of transparency of council tax level.	Careful provision of clarifying and context setting material through news letters and the media.	Peter Doyle, Communications Officer.
Failure to live up to service delivery expectations and show any real change in service delivery.	4 – Public perception will be difficult to manage given the media campaigns undertaken to date.	3 – Bad publicity would create pressure for quick changes.	A good communication strategy will ensure that messages are well designed and issued promptly. An effective complaints response system will be maintained.	Peter Doyle, Communications Officer in conjunction with Service lead officers.

Strong opposition for new authority from one or more local newspapers.	2 – Local newspapers may seek to focus on success or more likely problems with new authority especially in settling down period.	3 – Bad publicity is a stimuli for urgent action which may result in departure from predetermined plans but could also be helpful if it draws attention to valid problems.	Newspapers to be briefed and to receive straightforward answers whenever issues arise.	Peter Doyle, Communications Officer in conjunction with Service lead officers.
<b>People</b>				
Inability to recruit staff whilst the outcome of LGR persists.	1 – There is some existing difficulty in recruiting staff whilst the form of local government in Devon is uncertain.	1 – This is a limited localised difficulty that will be dissipated once the decision on LGR is announced.	If necessary temporary staff to be appointed to cover gaps in establishment.	Individual directors.
Transition team is not sufficiently resourced and skilled.	2 – Considerable expertise available through existing staff and partners with additional budgets available to supplement the team where necessary.	2 – Conservative approach to change at client facing service level combined with knowledge base and full time transition team working to a comprehensive transition plan will limit the potential operational impact.	Reporting at board level will identify dynamically the need to supplement skills and redirect resource to manage skills shortage issues.	Phil Norrey, Chief Executive and change manager (to be appointed).
Internal Communications – staff are not fully informed about developments and understand the changes being made and how it impacts on their job.	3 – Experiences of change management internationally highlight the need for good leadership and communication as being key to success. It will be important to reassure and inform the officer team.	3 – Impact of poor communication will translate itself into poor co-ordination and service delivery.	The transition plan will pay significant amounts of attention on communication – staff meetings, electronic newsletters and support lines.	Heather Barnes – Director of Personnel and Performance.
Failure to manage pay harmonisation issues effectively.	3 – District pay harmonisation arrangements are not all fully developed and implemented.	4 – Impact will be financial and will affect staff. Knowledge of pay harmonisations already completed will be applied to the unitary position.	Financial impact is difficult to quantify. Ongoing financial provision is provided to manage the fall out.	Heather Barnes – Director of Personnel and Performance.
Delay in harmonising HR	3 – A significant task	3 – Will affect staff but	Newsletters will keep staff	Heather Barnes – Director of

<p>policies including terms and conditions.</p>	<p>which may not be completed before 1/4/10.</p>	<p>existing procedures at management level to manage uncertainty / grievance will limit operational impact.</p>	<p>aware of the changes taking place and provide guidance where harmonisation is delayed.</p>	<p>Personnel and Performance.</p>
<p>Ineffective measures to ensure skills retention and securing that key posts are covered.</p>	<p>2 – Sufficient skills exist in the combined workforce. Fewer managers for amalgamated services will be required.</p>	<p>2 – Availability of skilled workforce reduces potential impact for most services, although key support services – finance, HR and ICT could have disproportionate impact on operations if not fully skilled through the transition.</p>	<p>Ongoing work force planning and development will be undertaken to match skills to operational need. Careful monitoring of demand for skills and availability will be built into transition planning / management.</p>	<p>Heather Barnes – Director of Personnel and Performance.</p>
<p>Delay in filling key posts.</p>	<p>1 – It is envisaged that strategic director and director posts will be filled without difficulty as there will be a demand for these jobs. Key middle manager posts will be subject to competition internally from existing managers.</p>	<p>1 – The pool of available staff at this level for amalgamating services may exceed the number of posts to be filled. Operational impact should be minimal unless disenchanted officers remain in place.</p>	<p>Ongoing workforce planning and development will be undertaken.</p>	<p>Heather Barnes – Director of Personnel and Performance.</p>
<p>Disproportionate amount of work needed to administer severance – causing delays and difficulties in redundancy and severance.</p>	<p>2 – The County has experience of managing large scale of redundancy and severance arrangements albeit that this exercise will be bigger scale.</p>	<p>2 – The delay would impact on the transition plan and could lead to additional costs.</p>	<p>Significant work will need to be undertaken prior to 1 April 2010 to ensure that the process goes smoothly.</p>	<p>Heather Barnes – Director of Personnel and Performance.</p>
<p>The evaluation of new positions at the unitary councils causes a substantial increase in the wage bill.</p>	<p>2 – The unitary council will introduce new structures and establish new grades for services being taken on.</p>	<p>4 - If the new council allows a general growth in the wage bill it would have a significant impact on the projected expenditures.</p>	<p>This process will be closely managed as part of the transition plan.</p>	<p>Heather Barnes – Director of Personnel and Performance.</p>
<p>Relocation and disturbance costs are much higher than</p>	<p>2 – The amount of relocation costs that need</p>	<p>2 – The impact would be financial and the total sums</p>	<p>This process will be closely managed as part of the</p>	<p>John Mills – Director of Finance.</p>

anticipated and substantially more staff than anticipated involved in relocation exercises.	to be taken into account is based on the precedent set in the County. What is more difficult to assess is the number of officers involved.	would need to be managed within the resources available.	transition plan.	
Legal challenges arise as a consequence of the application of TUPE causing unforeseen delays and financial consequences.	1 – The number of precedents in respect of LGR reorganisations means that untrodden ground in relation to TUPE is unlikely.	3- The implications of challenges would be disruption and delay owing to uncertainty.	Early alerts will be put in place of any legal issues arising.	Monitoring officer.
<b>Finance</b>				
Failure to achieve modelled savings.	3 – Savings have been estimated from high level information and hence there is a risk that the quantification will change – economies of scale have been taken into account based on standardisation on best procedure in use but no account has been taken of efficiencies over and above standardisation.	3 - Significant impact on financial standing and reputation.	Efforts have been taken to ensure estimates appear reasonable and that where uncertainty exists a prudent assessment is made.  Robust budget monitoring. Spending pressures managed by management action to reduce costs and by use of reserves earmarked.	John Mills – Director of Finance.

Costs exceed estimates.	3 – Costs have been estimated from high level information and hence there is a risk that the quantification will change.	3 - Significant impact on financial standing and reputation.	Efforts have been taken to ensure estimates appear reasonable and that where uncertainty exists a prudent assessment is made.  Robust budget monitoring. Spending pressures managed by management	John Mills – Director of Finance.
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			action to reduce / re-phase costs and by use of earmarked reserves.	

<b>Risk</b>	<b>Likelihood (1-5 with 1 being low likelihood)</b>	<b>Impact 1-5 with 1 being low impact)</b>	<b>Further mitigating controls</b>	<b>Responsible</b>
MTFS is not maintained, reserves policy and other components do not provide adequate cover for transition costs and uneven service development.	2 – Financial management controls are well developed. The scale of earmarked reserves can absorb temporary and significant variances in spending.	4 – Significant if controls failed to operate.	Budget and financial management controls continue to operate.	John Mills – Director of Finance.
Failure to maintain a robust control environment.	2 – Amalgamated internal audit planning will operate from 1/4/10. Key risks of transition will be addressed.	3 – Loss through fraud and error could be significant if controls are not effective.		John Mills – Director of Finance.

## Two Unitary approach

Risk	Likelihood (1-5 with 1 being low likelihood)	Impact 1-5 with 1 being low impact)	Further mitigating controls	Responsible
<b>Methodology of forecasting</b>				
The method of compiling the two unitary approach business case does not recognise distinct features of the option.	1 – The methodology used has been to develop the whole county option first and then identify those aspects of that option that may vary with the rural county option. An alternative bottom up approach may have resulted in different assumptions.	2 – The business case might show a different fiscal position. The process used albeit carried out in a tight timescale should ensure that no issues of substance have been overlooked.	Independent reviews have been undertaken and the process has been subject to internal quality review.	John Mills – Director of Finance.
<b>Governance</b>				
Ineffective cross public sector working.	3- For the rural unitary approach there is a risk of ineffective working as the boundaries of the other public sector agencies will not be aligned. Alignment of boundaries and common population groups has been shown to be a key ingredient to successful partnering with the PCT and the LAA generally. (The arrangements for cross public sector working will be enhanced by LGR whichever option is adopted however the two unitary approach does	2 – The likelihood seems greater unless co-ordination with the new Exeter and East Devon unitary allows a standard approach to apply across the former Devon area. For services such as Adult Care Services the use of different standards by the two separate unitaries could create barriers to existing partnering arrangements. In order to ensure efficient working partnership boards may need to be created and the cost of this process has not been incorporated into the business case.		Phil Norrey, Chief Executive and change manager (to be appointed).

	cause more difficulties than the one county option).			
<b>Services</b>				
Declining service standards for the services inherited from the district councils: Housing (HRA) Housing benefits Environmental services including refuse collection Cultural activities Council tax collection.	For most services that are continuing without major changes – tenant service and leisure the risk is low – 1. For services such as council tax, housing benefit and refuse collection were more significant change is anticipated the risk of temporary decline increase to 2/3.	4 - The impact of a decline in services to the public will be high in reputation risk, HR, operational and financial terms.	All services will be subject to service improvement strategies and plans. These plans will be integrated into the service transition plan.  Each service will be the responsibility of a senior officer group working closely with the Executive Member responsible.	Officers yet to be nominated.
Declining service standards for existing and continuing services owing managements attention being focused on transition and new service areas.	3 -The existing expertise of the County will be apportioned between the two authorities – there will be continuing changes legislative and changes to those service introduced by the new authorities. The risks of declining service will be a greater risk if the key managers from these services form part of the transition teams.	4 - The impact risk will be high as these are high profile services to the Devon communities.	The service improvement plans will emphasis the need for good service delivery and for a continuation of existing performance as a minimum. Individual officers and Executive Members will monitor performance on a regular basis.	Officers yet to be nominated.
Incompatible facilities hamper standardisation – e.g. remote working arrangements or call centre arrangements hamper the ability to standardise systems. The call centre	2- These are detailed elements of the transition plan which need to developed in detail for all activities.	4- The impact risk will be high as these are high profile services to the Devon communities.	The service improvement plans will emphasis the need for good service delivery and for a continuation of existing performance or better. Individual officers and	A variety of officers yet to be nominated.

arrangements for social services will need to be accommodated and this may be less effective than now.			Executive Members will monitor performance on a regular basis.	
<b>Estate</b>				
Insufficient / inappropriate office space.	1 – There will be few additional office space requirements as long as the County Hall continues to be used as a centre of administration for the new authority. There is a risk that the new administration may wish to move the administration to a new base.	3 – If the new administration chose to create a new administrative centre then there would be a need to finance the acquisition or refurbishment of a new office – however, in this event the existing offices would either become an income source or could be disposed of. There is no knowledge available to inform the business case and an overall cost neutral position seems fair.	Existing estate management controls to continue.	Richard Buzzacott – Business Transformation Unit.
Failure to rationalise estate to coincide with changes to workforce and pattern of delivery.	2 – Rationalisation process already ongoing at County Hall and planned at Barnstaple but further reorganisation will be needed. However, under this option the ownership and use of the County Hall is yet to be determined and so there is more risk that further changes may need to be contemplated.	1 – No significant overall impact. The work plan assumes incremental rather than transformational change hence the low risk assessment. The estate may be used differently in due course and there is scope for using some of the property on a shared basis with the PCT or at a greater density using open plan working. However, the costs of moving to such a transformational approach are forecast to be less than the potential efficiency	Existing estate management controls to continue.	Richard Buzzacott – Business Transformation Unit.

		gains. Information to anticipate full impact has not been developed.		
<b>ICT and information management</b>				
Ineffective capacity planning for corporate systems.	3 – Initial review suggests capacity can be provided within existing corporate systems however capacity is less than with whole county approach.	4 – Insufficient capacity would damage management information and management effectiveness at a time of change.	Further review and development of business critical systems during transition.	Rob Parkhouse – Head of ICT.
Delay in standardising and rationalising provision on best in use methodology leading to delay in realising savings.	2 – Conservative approach adopted in the work book to high volume / high risk systems such as housing benefit and revenues collection will minimise likelihood of delay. The risk needs to be managed alongside the people risks as the development of new approaches will require the staff to understand and support new ways of working.	3 – Significant impact to services if delay occurred. Managed re-phasing of rationalisation would minimise impact.	Detailed project planning and monitoring is in place.	Rob Parkhouse – Head of ICT.
Failure to amalgamate and co-ordinate new disaster recovery systems.	2 – There is a risk that this will be developed after the transition plans have been put in place.	1- The amalgamation in itself would have low impact if not carried out what would be critical is a disaster situation when an effective plan had not been developed.	Detailed project planning and monitoring is in place.	Rob Parkhouse – Head of ICT.
District council systems for procedures new to the County are poorly documented and cannot be supported before	2 – Existing district systems may rely for continued operation on relatively few officers. The	3 – Potentially the risk could be serious as a system could down immediate post reorganisation. The	Detailed project planning and monitoring is in place to identify risks and plan for them.	Rob Parkhouse – Head of ICT.

transition is complete.	transition plan needs to identify where such risks exist and secure the continued support of essential officers and secure transfer to alternative supported systems as soon as practicable.	multiplicity of alternative district systems should allow back up to be secured.		
Failure to manage information adequately and which causes problems with service continuity and data protection.	3 – Information will be held at multiple locations and in different systems getting a handle on how to secure this information and avoid losses will need careful management. Might be specific issues in relation to schools and social services (Caldicott Guardians).	3- Potentially loss of information on systems could be serious and have implications to service delivery and the new authorities reputation.	Detailed project planning and monitoring is in place to identify risks and plan for them.	Rob Parkhouse – Head of ICT.
<b>Finance – disaggregation and grant</b>				
Budget disaggregation / aggregation.	2 – Disaggregation of County budget completed by County staff who have intimate knowledge of services. Aggregation of district services relatively low risk. Only Teignbridge and East Devon have been split. Diseconomies of the change have been recognised in financial projections.	3 - Significant impact on financial standing and reputation.	The principles underpinning the disaggregation have been agreed to by the existing finance teams of all the authorities. Contingency included in financial appraisal.  Robust budget monitoring. Spending pressures managed by management action to reduce / re-phase costs and by use of earmarked reserves.	John Mills – Director of Finance.
Formula grant disaggregation.	3 – Proxies used in	3 – Impact on financial	Contingency included in	John Mills – Director of

	disaggregation which may not be accurate. In each case efforts have been taken to ensure that the estimates are reasonable and in most cases the potential variation has been judged as little financial consequences.	standing and reputation.	financial appraisal. Robust budget monitoring. Spending pressures managed by management action to reduce / re-phase costs and by use of earmarked reserves.	Finance.