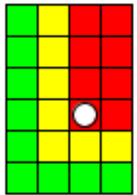


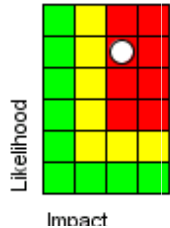
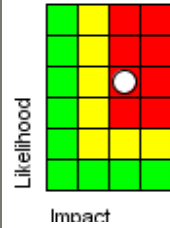
Appendix B - Key Risks Register - Cabinet September 2009



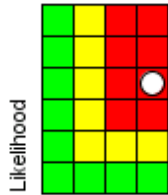
Risks are assessed for impact and likelihood and plotted onto the risk matrix. The impact is measured as being negligible, marginal, critical or catastrophic. The likelihood is measured as being almost impossible, very low, low, significant, high or very high. Risks scored in the bottom left hand corner would be almost impossible to materialise and would have a negligible impact. However if a risk were to be scored in the top right hand corner it would have a very high chance of materialising and would have a catastrophic affect on the Council.

Division	Title	Potential Effect	Internal Controls	Assigned To	Latest Note	Risk Matrix
Human Resources Division	OD Initiative	The Organisational Downsizing initiative will deliver significant savings and has sought to minimise the impact on front line services. Human Resources together with Divisional Managers and the Unions are working to ensure staff are kept informed, deadlines are met and savings are achieved.	HR, Divisional Managers and unions are working together to deadlines identified	Executive Manager Human Resources	Council approved OD Initiative process at meeting. Process for potential redundancies approved at CMB Meeting on 21st July 2009. Potential redundancies proposed for Jan -Mar 2010. Trade Unions fully consulted and consultations with staff and trade unions continue.	
Legal, Democracy and Financial Management Division	Reduced Income due to less Government Funding & the Global Economic Downturn	Reduced income will have a significant impact on the Council's budget	Factor into budget setting and medium term financial forecasts	Borough Treasurer	A balanced budget has been set for 2009/10 taking into account these factors and an Organisational Downsizing Initiative agreed to secure the Council's medium term future. Budgets are also being closely monitored to ensure that the Council's finances are controlled.	
Legal, Democracy and Financial Management Division	Treasury Management Investments may prove riskier	In light of the recent collapse of the Icelandic Banks this has become more of a risk	The importance of safeguarding public money has been re-emphasised	Borough Treasurer	There is a Treasury Management Code of Practice already in place and operational arrangements have been reviewed and updated in light of the current market conditions	

Division	Title	Potential Effect	Internal Controls	Assigned To	Latest Note	Risk Matrix
Housing & Property Services Division	Failure to deliver Affordable Housing Strategy 2008-2013	A series of plans outlining our future affordable housing interventions programme funded in part by the Transitional Capital Receipts. Housing needs data to help in negotiation affordable housing provision on mixed development sites. Identified plots of land that may be suitable for affordable housing development.	Activity has been incorporated into work plans.	Housing Strategy and Development Programme Manager	In order to minimise the risk attached to the delivery of our affordable housing strategy 2008 - 2013 an affordable housing cabinet panel was established to drive the overall policy formulation side of the work. The panel is responsible for; Driving forward the Council's work on developing affordable housing by ensuring that the local affordable housing policy is conducive to realising positive affordable housing outcomes, ensuring appropriate housing need and housing market information is available to support need for affordable housing interventions, including LDF policy formulation, exploring delivery mechanisms that will enable maximum benefit of Transitional Housing Capital Receipt (THCR) and any other funding that is levered in to West Lancashire, commissioning appropriate research to further the affordable housing agenda, using THCR to invest in appropriate affordable housing schemes.	 <p>Likelihood</p> <p>Impact</p>

Division	Title	Potential Effect	Internal Controls	Assigned To	Latest Note	Risk Matrix
Housing & Property Services Division	The HRA Subsidy Review does not address the financial issues for the Council	New debt burden for the HRA; no real discretion over rent & service charge policy; potential for impact on Council's Prudential borrowing if interest payments on debt allocation greater than current subsidy payment to Government; servicing of debt may not be sustainable over the long term particularly if Council House sales increase; may involve additional investment requirement to meet new Decent Homes Standard; continuity of HRA ring fence arrangements, if any, have yet to be announced.	Full options appraisal to be undertaken when detailed proposals are released under consultation. Strong budgetary measures and treasury controls are in place to monitor and manage known risks.	Housing - Group Accountant	The details of the Government's proposals are not yet clear. Initial understanding is that it is proposed that capital receipts from Council house sales and rental income can be retained by the Council in return for taking on a share of Government's national housing debt (presumably based on the current debt supported through the HRA subsidy System). The nature and type of debt and the basis of and sum allocated is not yet known. At the time of writing it is not known what interest rate will be applicable to the debt nor the terms upon which the debt is to be allocated and/or redeemed. Members may wish to consider all available options to mitigate impact including revisiting Stock transfer (LSVT), Special Purpose vehicle (SPV or Housing company), ALMO.	
Housing & Property Services Division	Failure to address the emerging issues relating to the Tenant Services Authority (TSA)	Not yet known although the TSA will be the Housing Regulator	Engaged with the "National Conversation" and part of shaping agenda for the new regulatory framework	Housing Operations Manager	The new regulatory framework is not yet known. Tenants will be key to developing the framework for how services will be delivered. A member workshop has been organised to feedback results of a nationwide "conversation", which the TSA commissioned to ascertain tenants views & priorities. Once the framework has been agreed the Council will need to develop a plan, this will need additional resources to ensure that any risk to the Council will be mitigated.	

Division	Title	Potential Effect	Internal Controls	Assigned To	Latest Note	Risk Matrix
Housing & Property Services Division	TV signal is not available to residents of Skelmersdale at Digital Switchover	No TV for those in certain areas	Following action plan and looking at the number of complaints received	Senior Programmed Works Surveyor	Planning permission approved for additional booster station located at the Beacon. Work to start on site 3 August 09 and expected to be completed for 11 September 09. Tender documents for the erection of the remaining TV aerials have been prepared and the closing date for responses is 17 July 2009, with work anticipated to start 10 August 09. It has been indicated that by maintaining the communal aerial system after switchover, all properties will still be able to receive the main 5 channels, i.e. it isn't critical that we have all the aerials installed in time for the switchover.	
Human Resources Division	Post JE consequences	Cost to authority is unclear until final pay line is drawn	HR and unions are working together to deadlines identified	Human Resources Manager	Both Unions have balloted. Unison have voted to accept whilst GMB have voted not to accept. Talks are ongoing with both Unions and legal advice has been sought.	
Regeneration & Estates Division	Failure to continue to facilitate Business Watch Schemes, Estate Radio Scheme & encourage Secured by Design Awards	By reviewing all business networks, some may cease/cease to have involvement from this division.	Ongoing monitoring will ensure that this risk is being controlled.	Economic Regeneration Manager	Target exceeded 2008/09 which resulted in employer engagement. Remains a key risk since staff re-structure and ongoing re-prioritisation of work will result in a review of all business networks, some of which may cease/cease to have involvement from this division.	

Division	Title	Potential Effect	Internal Controls	Assigned To	Latest Note	Risk Matrix
Deputy Chief Executive	Failure to deliver Skelmersdale Town Centre Regeneration	The Housing and Communities Agency (HCA) or the Council owns the majority of land. Minor land holdings are with LCC, the college, the ecumenical centre, Asda, Police and LCP.	The scheme could proceed using HCA and Council land only (although this would not be the ideal solution). As HCA and the Council have come together as joint "clients" for the scheme this should virtually guarantee that a scheme of some type is viable. We will continue to engage with the "other" landowners to encourage their participation in the scheme.	Procurement and Projects Manager	The Kirkby report, which has significantly slowed progress on this project, is now expected in November 2009.	 <p>Likelihood</p> <p>Impact</p>

Division	Title	Potential Effect	Internal Controls	Assigned To	Latest Note	Risk Matrix
Deputy Chief Executive	Failure to deliver Abbotsford Regeneration	Regeneration does not take place or will have to be done in a different way.	<ol style="list-style-type: none"> 1. Striving to agree reasonable terms with partner whilst protecting the Council's position. 2. Beginning to explore development on our own land. 3. Considering additional borrowing bearing in mind the advantageous rates currently available 	Procurement and Projects Manager	Planning permission currently being sought by Atkinson Kirkby. Decision envisaged September 2009. Final decision on progress of project will be made after September.	<p>Likelihood</p> <p>Impact</p>