

Joint Officer Board - Shared Services Strategic Risk Register - Top 5 Risks (Reviewed September 2013)

Appendix 3

Objective	Risk No	Risk / Opportunity	Gross (without any controls)				Net (as it is now)			Direction	Future Actions	Forecast			Comments
			Likelihood	Impact	Total Risk Score		Likelihood	Impact	Total Risk Score			Likelihood	Impact	Total Risk Score	
Maintain and develop long term sharing arrangements between CE and CWAC Councils to ensure that quality of services is maintained to the required standards	6	Insufficient dedicated "operational" management oversight of shared service arrangements and overstretched capacity of existing resource leading to reduced capacity to drive change resulting in inability to promote existing arrangements and facilitate developments.	3	4	12	Approximately 0.5 FTE working on regular shared services but additional resource brought in to deliver SLE project. This includes full time Programme Manager and Project Support Officer. SLE Managing Director appointed to set up company. Joint SRO and individual workstream lead identified and operational. Communications resource appointed.	2	4	8	↓		2	4	8	Dedicated resource has been increased to the SLE project but some of this is being diverted into other areas e.g. Wirral on-boarding which could compromise delivery of the company by April 2014. General support to maintaining Shared Services governance is becoming increasingly stretched. At the mid year point it is evident that in some areas service delivery is suffering due to capacity issues (Emergency Planning, ICT)
	9	Lack of shared strategic direction leading to a lack of clarity around shared goals resulting in confusion and a breakdown in trust and shared arrangements.	3	4	12	Arrangements underpinned by Administrative and Financial Agreements including clear objectives for sharing. Regular discussion at JOB and Joint Committee concerning development of shared services particular transition of HR and Finance to SLE. Executive Board involving chair and vice chair of joint Committee in place and Project Board both operational. Governance reviewed for remaining shared service arrangements (June 2013)	2	4	8	↔	Development of the SLE underway. Potential additional partner engaged. However the councils' plans to move to alternative delivery models could potentially compromising the business case for the SLE. It is anticipated that an incubation agreement can be put in place to enable the SLE to develop its commercial potential. Further joint officer / member workshops are to be held to work through such issues and to ensure that impact on the SLE is managed.	2	4	8	Joint workshops taking pace in November 13.

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	10	External / National Budget cuts leading to Shared Services needing to make further budget cuts resulting in reduction in service delivery and reducing viability of sharing arrangements .	4	4	16	Continued uncertainty about government funding beyond 2014. Annual Budget challenge process introduced to inform future plans but some difficulties in delivering identified savings due to changing priorities. Opportunities for efficiencies diminishing increasing the risk of service cut.	4	4	16	↔	Ongoing quarterly monitoring of shared service budgets. The SLE has the potential to deliver greater efficiencies but its ability to trade is currently limited (10% Teckel exemption).	3	4	12	This situation is likely to lead to the development of sharing arrangements and alternative delivery models across the public sector both of which could potentially threaten the future viability of Cheshire's SLE. However there is also an opportunity for expanding Cheshire's sharing arrangements on the basis that these could provide further efficiencies to partner organisations.
	11	Failure to deliver projected savings from Shared Services leading to an overspend against budget resulting in an inability to deliver key services and undermining confidence in sharing arrangements.	4	3	12	Service planning and regular financial performance monitoring in place. 2012-13 outturn position was much improved with a significant aggregated underspend against budget (£933k). The 2013-14 mid year review suggests that this trend is continuing.	4	3	12	↔	Promising prospects of bringing in additional partner to the SLE. Developing commercialisation of the SLE. Developing Incubation Strategy to retain existing clients moving to alternative delivery models	3	3	9	Whilst recent monitoring reports suggest that the financial position across the shared services has improved but there are still areas of concern that need to be addressed e.g. reduced uptake of LSS services by schools.
	13	Failure to implement the new ICT SS Target Operating Model leading an adverse impact on service delivery to clients, reputational damage and reduced staff morale within the shared service	3	4	12	Target Operating model largely in place and Supply Partner appointed. Managing Director recruited.	2	3	6	↓	Further work will be required to develop culture and build confidence that the ICT SS can deliver and to make it the provider of choice for existing and future client base.	2	3	6	The Councils' Incubation policies will be crucial to maintaining existing customer base