

Annexe 4: Strategic risk analysis

The LGA high-level analysis identifies significant potential benefits from a collaborative partnership and indicates that a closer collaboration would bring greater benefits in terms of service sustainability, future resilience and financial savings. For example, the report suggests that circa £1.4m could be saved across the partnership from shared management, spending and property. Each of the options in this report entail risks that will threaten the partnership objectives, and several are presented here for councillor consideration in the format of an event-outcome-impact statement and mitigations. Listing these risks does not mean that they are all very likely; if the partnership develops, officers will need to develop this strategic risk assessment with more quantifiable metrics, depending on the option pursued.

<i>Risk</i>	<i>Mitigations</i>
GOVERNANCE	
1. There is a risk that the partnership lacks clear objectives , leading to inefficiency and mission creep, which results in stakeholder dissatisfaction and misunderstanding and undermines benefits.	Adopt and communicate a shared vision statement (such as at Annexe 1). Develop the vision statement into clear metrics and expectations, agreed by all partners.
2. There is a risk that the councils will not proceed with any collaboration , leading to foregoing any of the potential benefits of partnership, which results in greater pressure on the council's financial challenge and service sustainability.	Focus more aggressively on the transformation programme. Identify more options for efficiency, income, savings and potentially service reductions.
3. There is a risk that the two councils disagree on an important aspect of the partnership, leading to dissatisfaction with the partnership and mistrust, which results in the partnership ending or being delayed.	An agreed vision statement that is reviewed at least annually by both council Executives. Regular opportunities for councillors to meet across boundaries, both formally and informally. An early agreed Inter-Authority Agreement (IIA) which sets out protocols for dispute resolution and termination with an appropriate notice period.
4. There is a risk that costs and savings will not be apportioned fairly, leading to mistrust, which results in dispute and distraction.	A clear, early and agreed mechanism for cost and savings apportionment, enshrined in the IIA. Regular clear accounting of savings and costs to the relevant committees.

<i>Risk</i>	<i>Mitigations</i>
5. There is a risk that either or both councils will decide to terminate the partnership , which results in lower-than-expected benefits realisation and reputational harm.	Regular contact between councillors in the Executives and wider Councils. Clear agreement of priorities and objectives. Clear clauses on termination in the IIA with an appropriate notice period to allow for transition. Proactive communications with all stakeholders and the public.
6. There is a risk that future political change leads to a serious change of partnership direction, which results in a change in direction or a termination, which could lessen or increase benefits of collaboration.	Engage all councillors throughout the transition process, with openness among all participants. Identify where the disagreements and different priorities exist and be ready to adapt to them should a change occur.
CAPACITY/RESOURCES	
7. There is a risk that officer capacity will be over-stretched during the transition, leading to lack of focus, which results in negative impacts on service delivery, partnership progress and morale.	Build in investment during the earlier phases, potentially including external support. Set clear timetable and pace, agreed by both councils, with appropriate resources and succession planning. Develop early a programme of HR support for resilience, strategies for dealing with change, and team building. Create a single shared programme management team at the start.
8. There is a risk that current projects/programmes will be delayed by diversion of capacity to the partnership project, leading to delays in achieving key objectives, which results in harm to the beneficiaries of those programmes.	Early investment in the partnership so that it is not displacing resource from other key priorities. Clear programme management and reporting to senior management and councillors on progress of current service plans. Review with councillors the existing priorities and agree where displacement may take place in a planned and agreed way.
9. There is a risk that knowledgeable officers may leave , leading to missing information and dilution of 'corporate memory', which results in delays and confusion.	Clearly documented hand-over and succession processes for when officers leave. Clear process and time for 'downloading' corporate knowledge from those that may leave. Clear and consistent record-keeping and retention.

<i>Risk</i>	<i>Mitigations</i>
10. There is a risk that one council's priorities will (or will be perceived to) dominate for a period, leading to inequitable cost apportionment, which results in mistrust and undermining of the partnership.	A clear agreed mechanism for how officer capacity is shared over time. Shared annual business plans for each service agreed by the councils, clearly articulating the apportionment on planned projects. Regular communication with both Executives on specific local issues and priorities that arise.
11. There is a risk that working across two councils leads to increased travel, which results in wasted time and negative impact on the environment.	Encourage video-conferencing and home working, supported by the consistent policies and training. Consider further expanding electric vehicles within the fleet(s). Progress a project for considering a single office to serve both councils.
FINANCIAL	
12. There is a risk that expected savings cannot be realised at one or both councils, which results in unexpected further pressure on services and undermines the partnership.	Regular communication to both councils as to plans and progress.
13. There is a risk that transition costs are prohibitively high (e.g. redundancy, IT, accommodation), leading to a threat to the viability of some aspects of the collaboration for either or both councils, which results in an unviable partnership and reputational impact.	Identify and include transition costs in business cases as they are developed. Agree and document a common approach to rate-of-return and cost/benefit sharing. Change the phasing of transition to reduce the impact of unexpected new costs that arise. Focus first on those areas that present the biggest 'wins'. Clear communication with councillors and the public throughout the partnership.
SYSTEMS	
14. There is a risk that different HR and service policies lead to confusion and duplication, which results in inefficiency or failures of governance.	A programme of policy harmonisation wherever possible, recognising that this huge task will take time. A single shared intranet hub for managers to consult policies, with cross-references where they are different. Regular communication of policy changes. Strong engagement with unions.
15. There is a risk that support functions and processes remain disparate , leading to mis-application of policies/processes, which results in confusion and potential challenge to decision-making.	A plan for an early harmonisation of HR, IT and change management functions and key policies, with accompanying significant financial investment. Strong and regular communication from the senior political and management teams, with employees and unions. A single intranet.

<i>Risk</i>	<i>Mitigations</i>
16. There is a risk that different legacy IT platforms will be used, leading to duplication within a shared service, which results in inefficiency, anxiety and cost.	Review the costs and benefits of the current IT systems and their current contractual obligations. Use this information to inform the prioritisation of the transition programme. Develop a new IT strategy that is focused on supporting the partnership and identify the resources required and return-on-investment that is possible.
CULTURE	
17. There is a risk that councillors do not feel ownership of the collaboration, leading to mistrust and concerns about sovereignty, which results in destabilisation of the partnership.	Clear and agreed governance principles and processes, including how councillors will be engaged in decision-making and scrutiny via existing committees or, if desired, shared committees. Regular communication with councillors, parish councils and the public.
18. There is a risk that councillors will perceive that officers are less available to them, leading to delays and dissatisfaction, which results in harm to the how councillors perform in their role.	Clear expectations to be agreed, acknowledging that shared staff serving two councils may sometimes not be available. Clear protocols on accessibility and building of resilience across officer tiers, so that the critical ward councillor role is prioritised throughout any transitions. Ensure that support to affected senior managers, via technology and assistants, is in place and supported adequately.
19. There is a risk that different officer cultures may hinder collaboration, leading to lack of prioritisation for the changes required, which results in delay, inefficiency and dissatisfaction.	Clear direction from senior political and officer leadership. An articulated change strategy including expected behavioural norms. Investment in engagement, communication, training and support through times of change.
20. There is a risk that officers may not trust those from the 'other' council , leading to failure to share key information and attrition, which results in delay and unhealthy cultures and behaviour.	Clear direction from the political and senior management leadership as to the way forward. Good communication and support/training for employees on how to work will during change and transition. Harmonise performance management processes.

<i>Risk</i>	<i>Mitigations</i>
21. There is a risk that employees will become increasingly anxious, leading to negative impacts on morale, which results in impact on service delivery, mental health concerns and loss of staff.	A clear direction of travel from the political leaderships, with messages delivered consistently and clearly. Regular communication from senior management and transparency with employees and unions about the plans, progress and impact on affected staff. Investment in HR support and employee assistance, including identifying internal opportunities for career development and a single package of good welfare support. Review regularly the impact on service performance and be prepared to support and resource accordingly.
22. There is a risk that current programmes or past decisions are being implemented in a fixed way, leading to partnership options being constrained, which results in compromises in the short term.	Review and clearly assess how far there are new opportunities, as well as constraints, arising from legacy decisions; whether they permit or block a 'best of breed' approach and for how long. Clear communication with the Executives. Be prepared to be bold if the business case holds, with an agreed process for cost-sharing if necessary. Phase the partnership accordingly.
EXTERNAL	
23. There is a risk that residents/businesses will be confused between the two councils' services , leading to miscommunication, which results in inefficiency.	A clear branding strategy to reflect the Councils' agreed priorities and approach. Clear communication on the nature and extent of the partnership, and the continuing importance of the role of ward councillors.
24. There is a risk that unexpected external events lead to significant diversion of attention, which results in delays to the partnership transition.	Clearly documented progress of the partnership. An early and agreed plan for handling such an unexpected external event, and a protocol for slowing or pausing the partnership.
25. There is a risk that the Government will restart ' local government reorganisation ', leading to unitary government in Surrey, which results in the abolition of the two councils.	Given that any future unitary model is likely to include Guildford and Waverley within the same new unitary council, plan the current collaboration so that it could also adapt to and be a strong voice within a new enforced unitary. Regular communication with other government stakeholders (councils, MHCLG, MPs) on the progress of this partnership.