



## Basingstoke Canal Joint Management Committee

### BCA Risk Register

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### Key Issue

To inform the JMC of the key risks associated to the BCA Canal Partnership after annual review and to ensure risks are mitigated as far as possible.

### Summary

A Risk Register is maintained highlighting that the key risks relate to the partnership ceasing to function properly through partners withdrawing funding, or if the BCA fail to inspect critical infrastructure correctly. The annual review has highlighted a significant increase in risk especially surrounding funding levels.

### Officer's recommendation

That the JMC note the annual revision of the Risk Register

#### 1 Introduction & background

- 1.1 A Risk Register was prepared and reported to Committee in June 2015, building on a register prepared by Officers in 2011.
- 1.2 The register has now been updated following its annual review by the Strategic Manager.

#### 2 Discussion

- 2.1 The majority of risks have not changed with the mitigated risk score remaining static since the first reviewed in 2016.
- 2.2 The highest risk remains around funding of the partnership (BCA 44) with funding partners being unable to continue grants. Officers' concerns noted in previous editions of this report that there is an imminent risk of some partners withdrawing some or all of the funds are now taking place. This coupled with rising costs (inflation running at approximately 10%, with the construction sector apparently outpacing that) means that the BCA will shortly be in a financially untenable position of either being unable to recruit sufficient staff or be able to pay for the required programme of asset inspections without drawing on its reserve.
- 2.3 A further three (3) risks have got worse or have become more likely in the past 12 months. For the first time the risk associated with culvert inspections (BCA53) is now a **red risk**, as rising costs mean that a complete Principal Inspection survey can no longer be afforded in one financial year. The programme had already slipped 12 months due to the previous years staff shortages, but means that some culverts will remain without an internal inspection for much longer than the required period. This is similar for

earth structures (BCA 21) which was already a red risk from the preceding year – and remains so now not due to staffing shortages, but due to a lack of financial resources.

- 2.4 Another key area of risk which has increased is surrounding Reservoir Safety, where the EA are now much stricter and require higher standards following the national regulatory review after the Toddbrook Reservoir Incident. Some of this risk sits with SCC as the landowning authority – however there are operational risks for the BCA in making sure that timescales and operational practices are adhered to.
- 2.5 Due to the exceptional drought and the resultant low water levels in the Mytchett pound of the Canal – the risk surrounding leakage onto neighbouring property has increased as there is a risk of cracking of the canal bed which may leak when fully refilled. This is likely to be a short-term risk increase for this year – unless climate change increases the number of summer droughts.
- 2.6 Two (2) risks have improved / likelihood declined in the last 12 months which relate to the level of staffing (BCA 15 and BCA24) where the full compliment of ranger staff have now been recruited.

### **3 Equalities & diversity implications**

- 3.1 The risks associated with reduced funding and increasing income may make it more likely that those on low incomes feel less able to use Canal facilities as more charges have to be made.
- 3.2 Any reduction in revenue maintenance for facilities may impact on the provision of facilities, well maintained level towpath, for less able people.

### **4 Crime & disorder implications**

- 4.1 The risks associated with Crime & Disorder on the Canal are not significant, and there are no associated risks in the risk register.
- 4.2 Reducing funding and therefore Canal staffing further would make the on the ground presence even less than at present, with anti-social behaviour and associated crimes, such as graffiti or vandalism, likely to rise.

### **5 Conclusion and recommendation**

- 5.1 The highest risk therefore remains around funding, which is reaching a critical point. Costs of staff, contractors and materials are all rising whereas partners are either not increasing or reducing their contributions – meaning real terms cuts. If the trend continues the BCA will not be able to operate as envisaged within 12-24 months.
- 5.2 The Strategic Manager is concerned that the window for the BCA business model of increasing developments which generate more income for the partnership is closing or may have already passed, due to the inability to obtain investment for key projects. In order to balance the budget in future more reliance will be required on partner grants and / or fund raising from charities such as the BCS, or difficult decisions will need to be made over the services provided by the BCA.
- 5.3 The Strategic Manager recommends that:
- That the JMC note the annual revision of the Risk Register

### **6 What happens next**

- 6.1 JMC Members note the risks and take action to mitigate them, principally through securing funding.