

## Managing Risk - Corporate Risks



Stage One					Stage Two					
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Risk Control Measures	Responsible Directors	Assessment of Residual Risk (With control Measures implemented)			Action Required
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Ensuring the Council secures the completion of the formal engagement with the DFES on Children and Young People's outcomes and project and performance management	CR1	4	3	High	Success criterion agreed with GOWM for reduction in level of their involvement by October 2007.	SM	3	2	Medium	Should also be contained within the C&YPS Directorate risk register and this should be noted at the feedback meeting on 11/06/07
Corporate spending pressures outweigh the level of resources available to meet them. Particular pressures prevalent in Adult Social Care.	CR2	4	4	High	Medium Term Financial Strategy now adopted by Council and highlights the need for corporate capacity to be created to meet future spending pressures. Potential overspends on social care, ICT services 2nd capital budgets have been reported via the IPR process. Successful delivery of the Herefordshire Connects programme is needed to ensure cash is released to support the planned investment in corporate priorities.	ALL/SR	4	3	High	
Herefordshire Connects: Programme does not go through robust investment appraisal and subsequent savings not being realised leading to service cuts.	CR3	4	4	High	Robust appraisals are carried out based on hard data, comparative and sensitivity analyses and deliverability. Strong corporate governance arrangements are in place. Business Transformation Board created and the new governance arrangements approved. Procurement approach agreed and on track. Assessment framework in place. Benefits realisation framework in place and being managed through IPG.  The MTFS highlights both the investment required for Herefordshire Connects and the expected savings both in the short and long term. A key risk will continue to be the timing and identification of savings flowing from the programme whilst minimising the risk of service cuts needing to be made to balance the budget.	NP	4	3	High	Benefits Delivery Board membership and Terms of Reference to be confirmed by 15th June 2007.
Failure to maintain CPA "3 star" rating and move from improving adequately to improving strongly	CR4	4	3	High	Capacity created at a senior level and adherence to the Overall Improvement Plan agreed in March. OIP Board now progressing phased handover of remaining work elements to transformation project boards, subject to quality assurance of project board systems.  Use of Resources Improvement Plan being implemented.	ALL/NP  SR	3	3	High	Update required as the March referred to is March 2006, Current CPA rating has maintained 3, have control measures worked?

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					Considerable work has taken place in embedding a strong performance management framework including structured meetings between Chief Executive and Directors. Performance Improvement Managers have been appointed for all Directorates.	NP/JJ				
Business continuity management	CR5	3	4	High	Substantial capital investment made in ICT network and disaster recovery arrangements. Workshops held for all directorates and service continuity plans have been prepared and due for testing during the year in business critical systems and services. Monthly checks made to ensure amendments are made to all plans. Annual update of Community Risk Register to inform the review process of Council emergency response plans in support of the emergency services and the Council's arrangements to assist recovery and return to normality of the community & environment following an emergency. Bi-annual exercising of the Emergency Response Team. Annual exercising of emergency response plans.	ALL/NP	3	3	High	
The failure of the Herefordshire Jarvis arrangements. The risks are both strategic and operational. A failure would occur if Jarvis were to go into liquidation. If Jarvis sell the current Prismo shares to another company there would be a need to ensure an orderly transition of service delivery to the new owner.	CR6	4	3	High	Ensure Council's financial liabilities are covered. Raise awareness of contingency arrangements following creation of contingency plan. Implement actions in relationship development plan	MH	3	2	Medium	Need to ensure that the risks of failure of this partnership with possible transfer remains a high risk within Resources particularly in Property and Environment that is Highways. Up date these two risk registers.
Corporate Capacity to deliver a range of changes the Council has embarked upon.	CR7	4	3	High	Programme Management, Clear Leadership and Senior Management Restructuring. Capacity issues identified within CPA inspection and were part of Improvement Plan. A minimum of 20% of corporate directors' time will be spent on corporate issues. Discussed by CMB as part of 2007 PIC and adjustments proposed for the budget. New CMB /SMT joint working has also been launched.	NP	4	2	Medium	Risk to be removed as in fact it is not a risk at all, the 'range of changes' i.e. accommodation, Herefordshire Connects, PST should have their own risk register.

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Achievement of LPSA 2 targets and hence the Performance Reward Grant (PRG). Failure to manage future PRG will have a significant and detrimental impact on the Council's ability to invest in future performance gains in services.	CR8	3	3	High	LPSA. Partnership Manager and the Head of Policy & Performance now met regularly with the assigned project manager and have agreed responsibilities for chasing progress and ensuring action. In addition performance indicators are received every 2 months, in line with the Council's performance management arrangements, enabling proactive management through this management group.	SM/GH/MH	3	2	Medium	
Delivery of Local Area Agreement	CR9	3	2	Medium	Financial Management & Review processes also in place.	JJ	3	2	Medium	More detailed description of the control measures needed.
Recruitment and retention of staff where there are national skills shortages and including the impact of Job Evaluation. Ensuring consistent treatment of Equal Pay Claims	CR11	3	3	High	Succession planning as part of management development provision	ALL/DJ	2	2	Low	Does this need a separate scoring, if so residual ratings to be entered along with a description of the risk.
			4	4	High					
Development of Adult's Workforce Strategy		3	3	High	Senior officer secondment from Hereford PCT to lead on development of the plan	DJ	2	2	Low	

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Development of Children's Workforce Strategy		3	3	High	Children's draft workforce strategy now out for consultation	DJ	2	2	Low	
Approach to Diversity: Risk of not achieving level and not improving Standard	CR12	3	2	Medium	Long term development plan produced. EIA action plans to be incorporated into Service Plans and monitored through the performance management process.	JJ	3	2	Medium	
Successful implementation of Accommodation Strategy.	CR13	4	4	High	An Accommodation Strategy Group has been established to review future options for the new Council to consider in June 2007. The Accommodation Board & project team have temporarily been stood down. Key risks to meeting the timetable are lack of accurate establishment data and outcomes from the Worksmart project.	SR	3	2	Medium	Consider moving this element of risk CR13 to HR's own risk register for more frequent monitoring.
					An emerging risk is the move towards flexible working. An initial observation/data analysis study has been commissioned to identify potential flexible working solutions.	DJ/JH	3	3	High	
Herefordshire Connects: Management capacity and capabilities not sufficiently developed to plan in advance, and deliver, the service changes required for realisation of efficiency savings.	CR14	4	4	High	Continual ongoing reassessment of capacity and resourcing requirements, including re-prioritisation where appropriate.	NP	4	3	High	Has on going reassessment enabled this risk to be scored differently? Updated 07/06/07. Detailed Work Packages (Programmes of Work) in each area to be developed for the next Phase. These will then be signed off by Directors and Key Managers. These will detail the management capacity required
Timetable for the establishment of a Public Services Trust for Herefordshire	CR15	3	2	Medium	A Project Manager appointed. Steering group and work streams established.	NP	3	2	Medium	Although there is a jointly produced risk register for each of the work streams, consideration should be given to assessing all of the risks to the authority alone.

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Failure of Waste Management Contract leading to failure to meet diversion targets and the potential for the Authority to be paying £150 per tonne extra on our missed target tonnages. Failure of the contract would also lead to the loss of PFI credits	CR16	4	3	High	Ongoing commitment from Herefordshire and Worcestershire to retaining the existing contract. The incorporation of subcontractors into the existing contract as a variation should enable adequate waste to be diverted to ensure the authority does not become subject to penalties under the Landfill Allowance Trading Scheme (LATS). Herefordshire and Worcestershire have an agreement to Trade LATS between the two authorities at "no cost" to offset risks - this risk needs to be formalised. The failure of negotiations with ReEnergy means that the issue of MWM identifying and introducing a new sub-contractor will need to be monitored to ensure early warning can be given of likely timescales for the negotiations and implementation of a varied contract. Because of the timescales involved in delivering a variation to the Contract it will be necessary to offset our risks of LATS penalties by maximising our recycling performance, through Waste Collection, to deliver increased diversion from landfill.	MH	4	2	Medium	
Use of Resources Judgement	CR17	4	2	Medium	Potential negative impacts on the 2007 UoR assessments include external audit follow up work on fundamental systems, budget variations and service inspection results.	SR	3	2	Medium	
Benefits CPA Score 2007	CR18	2	2	Low	The BFI Performance Measures have been monitored closely. We are on track to regain a 3 score based on 2006/07 performance.	SR	2	2	Low	
	CR19	4	3	High	Significant work has taken place over the last 18 months to produce effective service continuity plans to mitigate the effects of major incidents on the delivery of essential services. Service impact assessments and continuity plans require constant review and updating and the monthly 'second Tuesday' updates from Heads of Service and Key Managers are an integral part of that process.	ALL/NP	2	2	Low	Suggest incorporate this into risk CR5

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Herefordshire Connects - selection of preferred supplier and technical platform	CR20	4	3	High	Contract third party to carry out independent evaluation of the process	NP	2	2	Low	Updated 07/06/2007 - the technology review has been completed and a recommendation has been to the Programme Board.
Herefordshire Connects programme - not proceeding; Council insolvent within two years	CR21	4	3	High	Ensure Herefordshire Connects programme in place, and delivers.	NP	3	2	Medium	Updated programme is proceeding
Herefordshire Connects - Insufficient account taken of the PST in development of the Herefordshire Connects Programme	CR22	4	3	High	Establishment of work streams mapping out interfaces. Discussions with potential suppliers throughout procurement process. PST work streams produce regular risk registers which are fed into the Steering Group including those relating to IT infrastructure	NP	4	2	Medium	Updated 07/06/07 - involvement with PST group to be increased. The risks to the authority in relation to the PST have only been recognised in connection with Herefordshire Connects. Therefore although this venture is an opportunity the risks to the authority should be noted.
Failure to respond adequately to the local government white paper - strong & prosperous communities	CR23	2	2	Low	CMB/SMT work streams chaired by Head of Policy & Performance reporting to Director	JJ	2	1	Low	Detailed actions to come from Head of Policy & Performance
Herefordshire Connects - Negotiations take too long and the Phase 4 start date slips leading to slippage in the completion date for this Phase 4 due to the Summer holidays etc.	CR 24	3	2	Medium	Provide regular updates to CMB and Members Reference Group	JJ	2	1	Low	Update report going to Cabinet 07th June. Members Reference Group updated on 31st may 2007.

Signed: \_\_\_\_\_

Position: \_\_\_\_\_

Date: May 2007