

## Managing Risk - Corporate Risks



Stage One					Stage Two					Stage Three		
Identified Risk Area	Risk Reference Number	Assessment of Risk (Assume NO controls in place) using risk matrix			Potential Mitigation Strategy Summary	Responsible Directors	Assessment of Residual Risk (With control Measures implemented)			Action Description	Action Owner	Target Date
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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			
Corporate spending pressures outweigh the level of resources available to meet them. Particular pressures are evident in Adult Social Care, Children's Social Care and ICT Service.	CR2	4	4	High	The Council's Medium Term Financial Strategy highlights the requirements for all Directorate budgets to be managed within a 1% overspend tolerance. Budgetary pressures continue for both adult and children social care services. Contingency funding has been set aside within the Council's budget plan to help mitigate this risk. There is now greater clarity about base budget issues in ICT.	ALL/SR	4	3	High	1. Social Care contingency established.  2. ICT base budget issues being examined by Financial Services 3. Robust challenge of monthly budget monitoring reports from Directorates by Financial Services 4. Robust challenge of Directorate budget management plans for 2007/08 through the Performance Improvement Cycle process. 5. Medium Term Financial Strategy being reviewed	SR  SR SR SR SR	Done  Sep-07 Ongoing Aug-07 Aug-07
Herefordshire Connects: Programme does not go through robust investment appraisal with 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	1. Review of savings and original data. 2. ISS board in place. 3. Financial planning for overall project.	AK/DP AK DP	Done Done Done
Failure to maintain CPA "3 star" rating and move from improving adequately to improving strongly	CR4	4	3	High	Increased capacity created at a senior level in the last 18 months. (2 improvement managers and HoP&P). The Overall Improvement Plan agreed in March 2006 was substantially delivered. The handover of remaining work elements to transformation project boards now completed and, subject to quality assurance of project board systems and exceptions included in future IPR's. The key threats to the direction of travel are now a failure to increase the proportion of statutory indicators that are improving year on year and adverse inspection results. The removal of the Councils current 'protected' corporate assessment score in 2008/09 will affect our star rating unless the national rules are changed	ALL/NP	3	3	High			

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					Use of Resources Improvement Plan being implemented.  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.	SR  NP/JJ				Use of Resources self assessment for 2007 being prepared by Audit Services/Financial Services  Action plans resulting from internal audit reviews implemented to agreed timescales	SR  ALL	Aug-07  Ongoing
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 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 exercise for 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			
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			
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 meet 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	3	High			
Delivery of Local Area Agreement	CR9	3	2	Medium	Financial Management & Review processes also in place.	JJ	3	2	Medium			

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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			
		4	4	High	Utilise SRDs / implement career development posts and conclude job evaluation. 94% SRDs completed by the end of May. HR to support Directorates deliver identified training needs, to work to Investor in People standard.		2	2	Low	Looking at traineeships in building control, overseas recruitment for social workers. Council's establishment to be reviewed quarterly.	Amanda Attfield	Mar-08
					Focused recruitment activity to support identified shortages e.g. Social Work (Children's) and more recently difficulties in recruiting to Asset Management & Property Services posts, plus development of a workforce plan, and work to implement national data sets. Actions to address ICT shortages are in place. and progressing in Building Control.							
					Promote professional development support through training agreements and payment of professional fees. Develop secondment opportunities internally and with partners. Implement Market Forces Supplement. Improving leadership and management through revised management development provision.							
				Pride in Herefordshire approach to be implemented.					Awards ceremony arranged	David Johnson	Sep-07	
				Implement software to review new pay structure to ensure that it is equality proofed.								
Development of Adult's Workforce Strategy		3	3	High	Adult Strategy being developed First phase focusing on Learning Disabilities	DJ	2	2	Low	Initial focus on learning disability	DJ	
Development of Children's Workforce Strategy		3	3	High	Children's draft workforce strategy agreed in principle and implementation plans being developed	DJ	2	2	Low	Action plans lead officer in place	Shaun McLurg	Sep-07
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			
Review of Accommodation Strategy.	CR13	4	4	High	An Accommodation Strategy Group has been established to review future options for the Council to consider in September 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	Future options for consideration by Council to be collated.	SR	Sep-07
					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			

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Timetable for the establishment of a Public Services Trust for Herefordshire	CR15	3	2	Medium	A Project Manager appointed. Steering group and workstreams established.	NP	3	2	Medium			
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	Directorate Management Teams to review progress implementing actions arising from internal audit reviews on a monthly basis	ALL	Ongoing
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	Self assessment for 2007 shows an improvement in performance from a 'fair' to 'good' service. The BFI will confirm the self assessment in November 2007.	SR	Completed for 2007
	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			
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	Capita plc has reviewed and 'cleared' process around preferred partner.	NP	Done
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	Programme reporting structure to deliver key areas to be in place.	NP	Done
Herefordshire Connects - Insufficient account taken of the PST in development of the Herefordshire Connects Programme	CR22	4	3	High	Establishment of workstreams mapping out interfaces. Discussions with potential suppliers throughout procurement process. PST workstreams produce regular risk registers which are fed into the Steering Group including those relating to IT infrastructure	NP	4	2	Medium	Risk registers to be in place and fed into steering group.	Workstream leads	Done

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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	Report on white papers implications to be provided	JJ/TG	Done
Herefordshire Connects - Negotiations take too long and the Phase 4 start date slips leading to slippage in the completion date for this phase.	CR 24	3	2	Medium	Provide regular updates to CMB and Members Reference Group	JJ	2	1	Low			
Ensuring the Council secures improvements in the cost of procurement transactions and procurements costs as part of the Herefordshire Connects Programme.	CR25	3	2	Medium	This is a separate workstream within the Integrated Support Services theme of the Herefordshire Connects Programme which is being project managed by the Herefordshire Council's Core Team in line with PRINCE2 methodology.	SR/JJ	2	2	Low	This project is being supported by Resources staff seconded to this Work Stream and the Strategic Procurement & Efficiency Review Manager.	SR	Ongoing

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

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

Date: May 2007 \_\_\_\_\_

## Key to Assessment of Risk Scores

Impact Rating	Score	Description/Examples
Catastrophic	4	One or more fatalities Service disruption for more than 5 days Adverse national publicity Financial loss up to 75% of budget Litigation almost certain and difficult to defend Breaches of law punishable with imprisonment
Critical	3	Extensive, permanent injuries, long term sick Service disruption 3 - 5 days Adverse local publicity Major injury to individual/several people Litigation is expected Financial loss up to 50% of budget Breaches of law punishable by fines only
Significant	2	Severe injury to individual/several people Service disruption 2 - 3 days Needs careful public relations Financial loss of up to 25% of budget Higher potential for complaint, litigation possible Breaches of regulations/standards
Negligible	1	No injuries beyond first aid level No significant disruption of service capability Unlikely to cause any adverse publicity Financial loss of up to 10% of budget Unlikely to cause complaint/litigation Breaches of local procedures/standards

Likelihood Rating	Score	Description
Very Likely	4	Is expected to occur in most circumstances i.e. there is a more than 75% chance of occurrence.
Likely	3	Will probably occur in most circumstances, i.e. there is a 40 - 75% chance of occurrence.
Unlikely	2	May occur in exceptional circumstances i.e. there is a 10 - 40% chance of occurrence.

