

Managing Risk – Corporate Risk – January 2008

Stage One			Stage Two					Stage Three				
		Assessment of Risk (Assume NO controls in place) using risk matrix					Assessment of Risk (with control measures implemented)					
Risk Ref No	Identified Risk Area	Impact	Likelihood	Priority Rating	Potential Mitigation Strategy Summary	Director Responsible	Impact	Likelihood	Residual Priority Rating	Action Description	Action/Owner	Target Review Date
CR2	Corporate spending pressures outweigh the level of resources available to meet them. Particular pressures prevalent in Adult Social Care, Childrens Social Care and ICT & Customer Service.	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. A significant overspend on social care budgets is currently expected. The forecast outturn for ICT & Customer Services is now expected to be within budget for the year but there will be significant under and over spends within that position. Additional budget pressures include flood recovery costs and unbudgeted revenue costs of the Siemens contract. A New potential pressure is grant clawback on the ARCH programme.	ALL/ GH, SM, JEJ	3	3	High	<ol style="list-style-type: none"> Budget management plan for A&CS agreed. Budget management plan for C&YP agreed. ICT base budget issues being examined by DC&CS with support from Financial Services. Robust challenge of monthly budget monitoring reports from Directorates by Financial Services Robust challenge of Directorate budget management plans for the future through the Performance Improvement Cycle process. Medium Term Financial Strategy being reviewed 	GH SM JEJ DP DP DP	31/03/08 31/03/08 Ongoing Ongoing Complete 31/03/08

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CR4	Failure to prepare adequately for CAA and raise our DoT score from improving adequately.	4	2	Medium	The key mitigation actions for the next 12 months are: 1) sustaining our current rate of improvement in key performance indicators through the introduction of the NIS 2) action to fundamentally improve data quality 3) preparing adequately for audits / inspections in 2008 and avoiding negative reports 4) properly explaining the reduction in our overall score from February 2008 to staff, the public and partners and 5) a project managed programme of key preparatory projects through 2008/09 including joint planning and performance management across Herefordshire.	ALL/ CB	2	2	Low	a) proactive management of all corporate audits e.g. performance indicators and data quality. b) deliver robust improvement plans where audit results were poor in the past. c) Continue to improve PI's especially satisfaction indicators and evidence other improvements for the DoT d) agreeing a standard approach prior to all future audits/inspections. e) redirect PIM's to the areas that need most improvement. f) Herefordshire connects provides corporate performance management solution - currently on hold.	a) JJ b) & c) relevant Hos/Director, TG d)TG e)TG f) Herefordshire Connects Board/TG	a & b) March 08 c) Sep 08 d) & e) April 08 f) March 08
					Use of Resources Improvement Plan for 2006 has been implemented.	SR				Use of Resources assessment for 2007 expected shortly. SR to lead on development of an improvement plan.	SR/AL L	

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										Action plans resulting from internal audit reviews implemented to agreed timescales	ALL	Ongoing
					Revised performance improvement framework and cycle for 2008 / 09. Improved corporate plan. Additional support is being given to the service planning for 2008 through a series of training modules.	CB/JJ						Nov 07 - Mar 08
CR5	The inability to provide critical services due to the failure of the ICT networks	4	4	High	Substantial capital investment has been made in ICT network and disaster recovery arrangements. Extensive ICT specific service continuity plans have been developed and are exercised. 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. The Council is reviewing the Community Network Contract	JEJ	4	3	High	The service continuity plans developed by directorates are reviewed on an annual basis following service continuity week held in September. The current plans are reviewed to create an authority wide response to any critical incident. Mapping of key ICT systems is complete. No corporate testing of plans, only at service level. In the process of identifying the critical services that would need to continue - and any spare capacity.		01/10/2008

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					with Siemens to ensure it provides value for money. The Audit Commission's Use of Resources report 2008 notes that the Council lacks a consolidated business continuity plan. This is an issue that needs urgent attention to improve to at least minimum acceptable standards by 31/03/08								
CR7	Corporate Capacity to deliver a range of changes the Council has embarked upon.	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.	CB	4	2	Med				

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CR8	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.	3	3	High	Herefordshire 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.	JEJ	3	2	Med	a) Redistribution of some LPSA2 funding undertaken. b) Challenge meetings held with all LPSA2 lead officers. c) Escalation measures in place to ensure targets at risk are reported so that resources can be directed for maximum benefit.	JW/TG	a) BCG convened in August, thereafter meeting at least monthly (b) HCPB convened and meeting monthly c) As (b)
CR9	Non delivery of Local Area Agreement	3	2	Medium	Financial and performance management process in place and working. Herefordshire Partnership Performance Management Group (PMG) to monitor PI's and LAA Single Pot and agree detailed actions.	JEJ	3	2	Med	a) PMG in place b) Action undertaken on basis of performance reviews	JW	Ongoing - PMG to meet at least 6 times/year
CR11	Failure to recruit and retain staff where there are national skills shortages and including the impact of Job Evaluation. Ensuring consistent treatment of Equal Pay Claims.	3	3	High	Succession planning as part of management development provision	ALL/ GC	2	2	Low			

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					Utilise SRDs / implement career development posts and conclude job evaluation. 94% SRDs completed by the end of May. HR to support Directorates deliver to identified training needs, to work to Investor in People standard.							
					Focused recruitment activity to support identified shortages e.g. Social Work (Childrens) 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.					Looking at traineeships in building control, overseas recruitment for social workers. Council's establishment to be reviewed quarterly.		Mar-08
					Promote professional development support through training agreements and payment of professional fees. Develop secondment opportunities internally and with partners. Implement Market Forces Supplement.					Market Forces Supplement in place. Numbers in receipt of MFS included in quarterly directorate performance reports.		

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					Improving leadership and management through revised management development provision.							
					Implement software to review new pay structure to ensure that it is equality proofed.					Equal pay software implemented and initial review in progress. Review completed by end of Jan '08.		Jan-08
					Pride in Herefordshire approach to be implemented.					Awards ceremony arranged	GC	
	Lack of development in the Adult's Workforce Strategy				Adult Strategy being developed first phase focusing on Learning Disabilities	GH				Initial focus on learning disability	GC	
	Lack of development in the Children's Workforce Strategy				Children's draft workforce strategy agreed in principle and implementation plans being developed	SM				New workforce manager to be appointed	Shaun McLurg	
CR13	Review of Accommodation Strategy.	4	4	High	An Accommodation Strategy Group has been established to review future options. Cabinet are considering officer recommendations.	SR	3	2	Med	Future options for consideration by Council have been developed by the Accommodation Strategy Group.	SR	31/03/08
					An emerging risk is the move towards flexible working. An initial observation/data analysis study has been commissioned to identify potential flexible working solutions.	MH	3	3	High			

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CR16	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	4	3	High	"Ongoing commitment from Herefordshire and Worcestershire (H&W) 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).	MH	4	2	Med	"H&W 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. In addition the two authorities are now also negotiating a contract to secure capacity at an Energy from Waste Plant to ensure we collectively meet our diversion targets.	MH	

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										The Contracts are both "out of County" and are designed to deliver the minimum quantity of waste to meet or LATS target and to minimise the amount of waste being transported out of the Counties. In addition further work is being undertaken to secure appropriate diversion technology to secure the longer term viability of the Contract."		
CR17	Reduction in the Use of Resources overall assessment	4	2	Med	Adverse opinion on Value for Money in Annual Governance letter, due to the financial governance issues in ICT & Customer Services highlighted in the Section 151 Officer report dated 20.09.07 and the Crookall report, will impact on the 2007 Use of Resources score for Internal Control and Value for Money.	SR	3	4	High	Directorate Management Teams to review progress implementing actions arising from internal audit reviews on a monthly basis.	ALL	Ongoing
CR27	CRB process not carried out to an appropriate and reliable level	4	3	High	Officers agreed areas of concern and an action plan to be drawn up to redress the issues as quickly as possible.	AMc	4	3	High	Action plan to be developed that will address the 7 areas of concern as raised by the Director of C&YP. Appropriate financial support to be allocated so that the recommendations of the plan can be actioned speedily and readily. Report to Members.	AMc	

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CR28	Deliverable benefits from Herefordshire Connects not realised	4	3	High	MTFS updated for 08/09 to include modernisation fund to allow for review of Herefordshire Connects programme to be integrated with accommodation strategy for future organisation arrangements between Herefordshire Council and the PCT.	JEJ	3	3	High	a) BCG in place and meeting regularly, benefits envisaged to be assessed at each meeting; b) Programme Board receive regular exception reports; c) Actual investment and savings monitored against the MTFS.	a) DP b) AK c) DP	Monthly , next review January 2008
CR29	Both Data Centres are in leased accommodation, are near capacity, plus there are environment issues such as power and fire suppression that need to be addressed. Loss of data centres will affect delivery of all services. This is linked with accomadation strategy CR13	4	4	High	Decisions required form accomodation strategy to establish were future data centres should be located. Project to be established to relocate data centres to these locations. Investment required, server virtulisation will reduce risk in part.	JEJ	4	4	High	To be completed by risk owner	Rob Knowles	
CR30	Legacy systems out of support with vendors, and on old hardware. Compounded by CR28 Benefits from Connects eg Cedar	4	4	High	Establish which systems are deemed critical and make good the systems, Any expenditure may need to be deducted from connects benefits.	JEJ	1	1	Low	To be completed by risk owner	Geoff Cole	

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CR32	Currently the council's websites use the Star internet feed which is becoming increasingly unreliable. The TOM target is to move the internet feed to the 16 Mbytes pipe as soon as possible however feedback from Networks is that this is already reaching capacity usage at peak times from School traffic which already uses this feed. In addition the MLE/VLE hosted externally will place additional demands on this bandwidth but the level of additional traffic is not known	4	4	High	Siemens are currently working on an alternative supplier to BT, whose costs are very high, they hope to significantly reduce the costs provided so far. These costs will take into consideration any cancellation charges as the BT circuits were procured on a 3 year rental basis. Also, the costs will be based on the service being provided to the 2 current data centres; if Internet feeds are required at any new data centres it would require a "B" end shift(s). In reality, this will be a new circuit and no provider will	JEJ	4	4	High	To be completed by risk owner		

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					<p>provide costs for doing this until the final destinations are known and the route/fibre capacity etc checked out. The technology used by BT the current feeds can only be incremented up to a total bearer bandwidth of 34Mb which gives 32Mb of usable bandwidth (limitation of ATM (Asynchronous Transfer Mode) over SDH (Synchronous Digital Hierarchy)). As mentioned above Siemens are looking at other technology options that provide bandwidths from 30Mb up to 120Mb for HC to consider. Another option is to retain the existing 16Mb feeds for corporate and install totally new ISP Internet feed for schools.</p>							