



Performance and Audit Scrutiny Committee 31 July 2014

West Suffolk Strategic Risk Register – June 2014

1. Summary and reasons for recommendation

- 1.1 The development of the single management and service structure across Forest Heath and St Edmundsbury has seen considerable similarity between the risk registers of the respective councils.
- 1.2 At its July meeting the Risk Management Group considered a new risk register and risk management toolkit for West Suffolk. For each risk, the Group considered the Inherent Risks, the risk level prior to any mitigating actions being taken, and the Residual Risk following actions put in place to reduce the risk. These assessments form an integral part of the West Suffolk Strategic Risk Register at **Appendix 1**.

2. Recommendation

- 2.1 Members are invited to scrutinise the West Suffolk Strategic Risk Register at Appendix 1 and West Suffolk Risk Management Toolkit at Appendix 2 and to refer any major issues requiring attention to the Cabinet.

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3. Corporate priorities

- 3.1 The West Suffolk Strategic Plan for 2014-2016, adopted by both Councils in February 2014, includes three key priority areas supported by a range of actions to deliver specific outcomes.
- 3.2 The West Suffolk Strategic Risk Register identifies and records the level of risk associated with delivering the Councils plans alongside meeting its statutory responsibilities and the organisation's overall ability to respond to change. Through assessment of risk and the likelihood and impact of potential failure to meet these challenges, the level of controls and, where necessary, action required is identified and implemented.

4. Key issues

- 4.1 The development of the single management and service structure across Forest Heath and St Edmundsbury has seen considerable similarity between the risk registers of the respective councils.
- 4.2 At its July meeting the Risk Management Group considered a new risk register and risk management toolkit for West Suffolk. For each risk, the Group considered the Inherent Risks, the risk level prior to any mitigating actions being taken, and the Residual Risk following actions put in place to reduce the risk. These assessments form an integral part of the West Suffolk Strategic Risk Register at **Appendix 1**.
- 4.3 The group used the newly developed West Suffolk Risk Management Toolkit contained at **Appendix 2** to assess each of the risks identified in Appendix 1. Part of this assessment includes the consideration of the summary of actions in place to address the individual risks. Where Residual Risk levels are lower than the Inherent Risk assessment, action is either being taken or planned in order to treat the risk and meet the target.
- 4.4 The West Suffolk Strategic Risk Register will be updated regularly by the Risk Management Group. The Group is comprised of service representatives, including Health and Safety, supported by a Director and the Portfolio Holders for Resources and Performance. Heads of Service may be required to provide further information as requested by the Group.

5. Other options considered

- 5.1 Not applicable.

6. Community impact *(including Section 17 of the Crime and Disorder Act 1998)*

- 6.1 There is no direct Community Impact associated with this report.

7. Consultation *(what consultation has been undertaken, and what were the outcomes?)*

- 7.1 Not applicable.

8. Financial implications *(including asset management implications)*

8.1 There are no direct financial or budget implications arising from this report. Specific risks associated with finance and resources are included in the West Suffolk Risk Register at Appendix 1.

9. Risk assessment *(potential hazards or opportunities affecting corporate, service or project objectives)*

9.1 See individual assessments against each risk as detailed in Appendix 1.

10. Legal and policy implications

10.1 Not applicable.

11. Wards affected

11.1 All.

12. Background papers

12.1 None

13. Documents attached

13.1 Appendix 1 – West Suffolk Strategic Risk Register June 2014
Appendix 2 – West Suffolk Risk Management Toolkit

West Suffolk Strategic Risk Register 2013/14 - June 2014

(Appendix 1)

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS1 A	10-Jul-14	Financial	Rachael Mann	Poor financial management	Failure in specific areas to achieve projected income, or expenditure exceeds the approved budgets (revenue or capital).		1) Monthly monitoring reports (revenue and capital) to budget holders.	Rachael Mann	ongoing	ongoing	
							2) Business rate retention income and localising of Council tax being monitored monthly by Finance and ARP	Rachael Mann	ongoing	ongoing	
							3) Regular meetings between budget holders and Resources and Performance business advisors/partners	Service Managers / Business Partners / Advisers	ongoing	ongoing	
							4) Scrutiny of financial reports by JLT and Members through Performance and Audit Scrutiny Committee	JLT	ongoing	ongoing	
							5) New joint financial management system now in place, development of more comprehensive budget planning, monitoring and reporting processes including training for budget holders	Rachael Mann	Apr-14	Mar-15	
							6) Strengthen links to KPI monitoring	Rachael Mann	Apr-14	Mar-15	
WS1 B	10-Jul-14	Financial	Rachael Mann	Poor financial planning	Failure to deliver a sustainable Medium Term Financial Strategy, especially in view of continued financial uncertainty around areas such as Comprehensive Spending Review, localisation of Business Rates, localising Council Tax, increased service demand, and use of reserves. Over reliance on any one particular MTFS theme such as behaving more commercially or being an investing authority		1) Budget preparation for 2015/16 continues to challenge all six MTFS themes. Proposals include reference to such themes so that scrutiny can take place by JLT	JLT	ongoing	Mar-15	
							2) Demand trends and financial implications validated as part of budget setting. Using monitoring reports to identify trends.	Service Managers / Business Partners / Advisers	ongoing	ongoing	
							3) Review being undertaken of approach to setting fees and charges	Rachael Mann	Apr-14	Mar-15	
							3) Medium Term Financial Strategy update - including review of assumptions, sensitivity analysis and review of reserve and balance levels	Rachael Mann	ongoing	ongoing	
							4) Scrutiny of financial reports by JLT and Members through Performance and Audit Scrutiny Committee	JLT	ongoing	ongoing	
							5) Implement Behaving more commercially task and finish group actions	JLT	Apr-14	Mar-15	
6) Monitor Government statements on future of local government funding	JLT	ongoing	ongoing								
WS2	10-Jul-14	Customer	Davina Howes	Maintain and promote our public image, maintain effective communications	Councils being portrayed negatively in the media (including social media) which undermines public trust and confidence. Councils' poor reputation preventing them from entering into positive partnerships with others, or securing funding. Lack of public trust and confidence in the councils that could affect their ability to work WITH communities in achieving the strategic priorities and to achieve behaviour change (e.g. around recycling, channel shift etc.)		1) Monitor media coverage through daily media alerts and, where appropriate, provide a robust response.	Comms Team	ongoing	ongoing	
							2) Positively engage with social media to disseminate positive stories about West Suffolk and address errors or misrepresentation	Comms Team	ongoing	ongoing	
							3) Train and support staff and Members in proactive communications and dealing with media.	Comms Team	ongoing	ongoing	
							4) Deliver a communications work programme which focusses on proactive communications.	Comms Team	ongoing	ongoing	

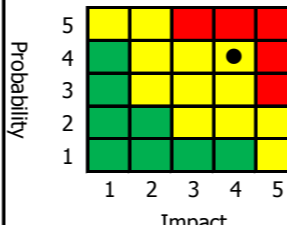
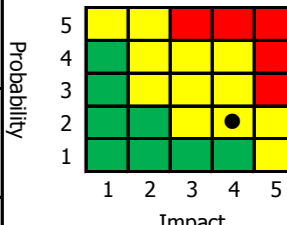
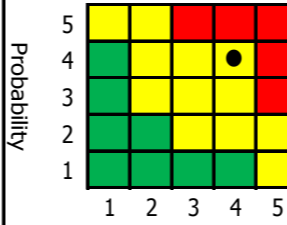
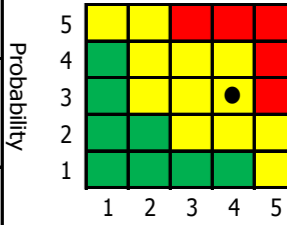
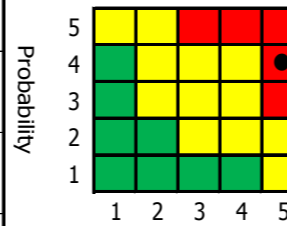
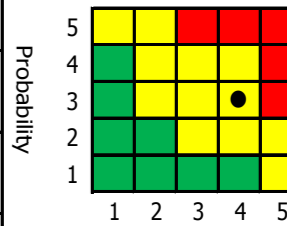
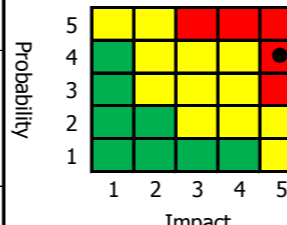
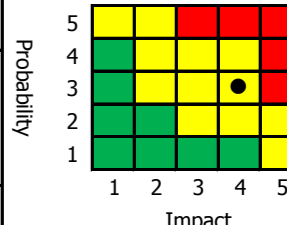
West Suffolk Strategic Risk Register 2013/14 - June 2014

(Appendix 1)

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS3	10-Jul-14	Customer	Davina Howes	Failure to deliver channel shift	Service delivery methods do not meet customer needs or expectations with potential to damage Councils' reputation; customer expectations may need to be more carefully managed in new financial climate; services fail to deliver savings in required time scale or maintain quality; excessive demands on staff time.		1) Appoint web design team to create new web presence for SEBC & FHDC.	Davina Howes	May-14	Sep-14	
							2) Ensure sufficient resource to support the provision of web content - rewrite and not a shift of existing / old content, (80% of most visited pages completed by October and the remaining 20% by December 2014.	Davina Howes	Jun-14	Oct-14	
							3) Launch Stage 1 of new web presence.	Davina Howes	Jun-14	Oct-14	
							4) Complete new web presence with full digital by default capability.	Davina Howes	Oct-14	Apr-15	
							5) Clear and consistent public communications to explain changes to services and establish realistic expectations of service levels.	Marianne Hlland	on-going	on-going	
WS4	10-Jul-14	Professional	Karen Points	Staff retention (professional staff / technical staff). Staff trust and goodwill (morale)	Lack of staff skills, experience and capacity could prevent delivery of services and high levels of performance. Failure to have motivated staff with appropriate workload.		1) Corporate training programme in place (including induction) for staff and members.	Juliette Maguire	On-going	On-going	
2) Identification of workforce needs through effective Workforce Development Planning.	Juliette Maguire	On-going	On-going								
3) Regular cycle of staff reviews (as and when needed) and follow up action plans.	Karen Points	On-going	On-going								
4) Programme of development and support has been developed to support staff and managers through the change agenda in the public sector. This programme is being extended to incorporate staff resilience and capacity management.	Karen Points	On-going	On-going								
5) Consistent and regular communication to staff, including opportunities for feedback.	Marianne Hlland	On-going	On-going								
6) Annual workforce monitoring data presented to the West Suffolk Joint Staff Consultative Panel; no significant issues raised. Monitoring period has been realigned to April - March.	Karen Points / Wendy Canham	On-going	On-going								
7) Joint L&D policy developed. Launch to be arranged.	Juliette Maguire	On-going	On-going								
8) Joint PDR scheme launched.	Wendy Canham	On-going	On-going								
9) Employees benefits scheme in place.	Wendy Canham	On-going	On-going								
10) Salary bench-marking to be undertaken	Karen Points	On-going	On-going								
WS6	10-Jul-14	Political	Ian Gallin	Managing public / councillor expectations with less resources	Falling short of providing the level of service that the public and councillors expect and demand.		1) Understand priorities and expectations through Strategic Plan and MTFS	JLT	On-going	On-going	
							2) Develop corporate project plan and assign lead officers and members to the key council projects.	JLT	On-going	On-going	
							3) Assign dedicated corporate project resources to lead on the monitoring of the corporate plan	JLT	On-going	On-going	
							4) Review and align service and skilled resources available to the corporate plan including communicate resources.	JLT	On-going	On-going	
							5) Regular monitoring and update discussions with portfolio holders on the corporate project plan progress	Corporate project manager	On-going	On-going	

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WS7	10-Jul-14	Technological Financial Customer	New Project Manager / All HoS	Poor project management	Key strategic outcomes not being delivered due to projects failing to be completed on time. Budgets are overspent due to delays. Peaks and troughs in resource demands for support services are not managed, resulting in unmanageable workloads for e.g. IT team, exacerbating the delays.		1) Creation of efficient project management framework (led by corporate project manager). 2) Development and ongoing oversight of corporate project plan, to avoid concurrent demands on support services 3) Training of all staff involved in project work in core project management skills 4) Project support and resources to be included in further project business cases.	Corporate project manager Policy team / corporate project manager L&D team JLT	ongoing Jun-14 Ongoing On-going	ongoing 01/09/2014 then ongoing ongoing On-going	
WS7a	10-Jul-14	Technological	Rachael Mann	ICT integration	Integration of ICT across services and systems not being achieved.		1) Planned alignment of ICT infrastructure and corporate systems through corporate project plan 2) Planned Business Applications alignment – including, Customer Access solution, Waste Management, GIS system - through corporate project plan 3) Regular review of both integration programmes through corporate projects plan. 4) Implementation of Integration Tool kit. 5) Monthly testing of the Council PSN compliance including the checking and monitoring of new and existing staff. No tolerance approach adopted. 6) Development of a West Suffolk ICT strategy	James Wager Steve Newey Corporate project manager/ JLT Steve Newey James Wager/Steve Newey Steve Newey	On-going On-going On-going On-going On-going Apr-14	On-going On-going On-going On-going On-going Dec-14	
WS8	10-Jul-14	Political Social	Neil Anthony	Failure to deliver; Families & Communities agenda	Opportunities being missed to create or influence the provision of:		1) Families & Community Strategy.	Families & Communities Manager	Oct-13	ongoing	
					(i) a thriving voluntary sector and active communities who take the initiative to help the most vulnerable		2) Locality Officers established.	Families & Communities Manager	Oct-13	ongoing	
					(ii) people playing a greater role in determining the future of their communities		3) Locality budgets available.	Families & Communities Manager	Oct-13	ongoing	
					(iii). improved wellbeing, physical and mental health		4) New way of working for councillors.	Families & Communities Manager	Oct-13	ongoing	
					(iv) accessible countryside and green spaces						
			Andrea Mayley/ Steven Wood	Failure to deliver; Growth Agenda inc coping with growth and increase in demand	Opportunities being missed to create or influence the provision of:		1) Developing engagement with the two Local Enterprise Partnerships. New Six Point Plan for Jobs and Growth. Monitoring the local economy.	Andrea Mayley	ongoing	ongoing	
					(i) beneficial growth that enhances prosperity and quality of life		2) Small budget to support businesses with grants. Business rate income being closely monitored from April 2013 by ARP. Developing Inward Investment strategy. Increase Business engagement	Andrea Mayley	ongoing	ongoing	
					(ii) existing businesses that are thriving and new businesses brought to the area		3) Support to WSC, SCC, UCS and other agencies involved with skills development. Monitoring attainment levels.	Andrea Mayley	ongoing	ongoing	
					(iii) people with the educational attainment and skills needed in our local economy		4) New Markets Development Officer post. Developing market towns action plan. Supporting and developing Business Improvement Districts.	Andrea Mayley	ongoing	ongoing	
					(iv) vibrant, attractive and clean high streets, village centres and markets						

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	(c)		Simon Phelan / Steven Wood	Failure to deliver; Housing Agenda	<p>Opportunities being missed to create or influence the provision of:</p> <p>(i) sufficient housing for current and future generations, including more affordable homes and improvements to existing housing</p> <p>(ii) new developments that are fit for the future, properly supported by infrastructure, and that build communities, not just housing</p> <p>(iii) homes that are flexible for people's changing needs</p>		<p>1) New West Suffolk Housing strategy developed, with adoption of a new comprehensive strategy by Oct 2014.</p> <p>2) Sub-regional Strategic Housing Market Assessment completed 2008 to identify levels of need, with annual updates and reviews.</p> <p>3) Implement revised targets for Affordable Housing for new developments over a certain size. Continue to implement Local Plans.</p> <p>4) Adopted PPS3 Housing proposals for developing affordable housing, particularly in rural areas.</p> <p>5) Growth area status confirmed and funding received for infrastructure works for housing development and further funding approved. Continue to work on implementation of Community Area Funding Support. Growth area funds now allocated.</p> <p>6) Local Investment Plan 2014-18 with HCA completed, awaiting approval July 2014. Quarterly monitoring of plan and annual review.</p> <p>7) Rural profiling project to identify housing and community needs in rural areas especially with regard to older people's housing.</p> <p>8) Council responding to government social housing reform proposals and working with RP partners and HCA to maximise delivery of affordable housing in the future.</p> <p>9) West Suffolk Choice Based Lettings Scheme reviewed April 2013 to reflect changes in legislation - re-tendering of sub-regional system to be completed by March 2015.</p> <p>10) Expansion of West Suffolk Lettings Partnership co-ordinates work with private sector landlords, help given to applicants to access private rented sector.</p> <p>11) Empty homes strategy approved by Cabinet Sept. 2013, a revised policy will be included as part of the new comprehensive West Suffolk Strategy to be approved in Oct 2014.</p> <p>12) Disabled Facilities Grants process and Home Improvement Agency contract to be reviewed in order to introduce a more co-ordinated and integrated service across agencies.</p>	Simon Phelan Simon Phelan Simon Phelan / Steven Wood Simon Phelan / Steven Wood Steven Wood Simon Phelan Kevin Marshall Simon Phelan Tony Hobby Julia Vernon Simon Phelan Andy Newman	Apr-14 ongoing ongoing ongoing ongoing ongoing ongoing Apr-14 ongoing ongoing Apr-14 Mar-15	Oct-14 ongoing ongoing ongoing ongoing ongoing Mar-15 ongoing ongoing Mar-15	
WS9	10-Jul-14	Legal	Joy Bowes	Ineffective governance that doesn't take into account the rapidly ever changing external environment.	The Constitution not fully reflecting and enabling new ways of working within West Suffolk, including the ability to behave more commercially, and ultimately may therefore not support the delivery of good quality and improved services that meet the local community's needs.		<p>1) Review of the Constitutions commenced in 2013-14 and is currently in progress</p> <p>2) Task and Finish Group established to agree new constitution principles</p>	Joy Bowes / Fiona Osman Joy Bowes / Fiona Osman	Ongoing Jul-14	Before May 2015 elections Before May 2015 elections	

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WS11	10-Jul-14	Economic Financial Competitive	Ian Gallin / Alex Wilson / Liz Watts	Failure to adapt to new public sector models, explore opportunities with partners	West Suffolk fails to deliver better services for public sector customers (regardless of the organisation), fails to close its budget gap due to missing opportunities for new sources of funding and opportunities for savings through economies of scale and better integration.		1) Keep a watching brief on, and disseminate information on new funding models and opportunities through DCLG, RSN, LGA, EELGA etc. 2) Maintain good relationships with public sector partners, e.g. CCG, SCEG, ARP authorities to hear of, and take opportunities arising from opportunities for partnership working. 3) Robust business cases for identified opportunities	Policy Team Chief Executive and Directors JLT	Ongoing Ongoing Ongoing	Ongoing Ongoing Ongoing	
WS12	10-Jul-14	Partnership	Andrea Mayley	Loss of a big employer (USAFE, Racing Industry, Greene King, WS Hospital, Centre Parks, British Sugar)	Failure to retain major employers in the area and the economic impact that it would have		1) Awareness of the top 100 employers in the area. 2) Ensuring there is sufficient employment land / premises for expansion. 3) Understand skills shortage and requirements by linking business to education providers and encourage business to take on apprentices. 4) Help businesses access third party funding. 5) Six point jobs and growth plan 6) Resilience planning	Andrea Mayley Andrea Mayley Andrea Mayley Andrea Mayley Andrea Mayley	ongoing ongoing ongoing ongoing ongoing	ongoing ongoing ongoing ongoing ongoing	
WS13	10-Jul-14	Partnership Financial	All HoS	Partner / Public Sector failure	Partners or partnerships failing; cost shunting (transfer of costs between partners); partnerships not achieving desired outcomes.		1) Robust SLA arrangements in place. 2) Regular monitoring of arrangements / outcomes. 3) Regular meetings with key partners	All HoS All HoS All HoS	ongoing ongoing ongoing	ongoing ongoing ongoing	
WS14	10-Jul-14	Physical Social Legal	Alex Wilson	Service failure through unplanned events	Reduced level or failure to deliver services to both internal and external clients do to unforeseen events.		1) Each service needs to have sufficient cross-trained staff to be able to continue service delivery in the event of an unexpected staff shortage. 2) Services must have a workable Business Continuity Plan in place with sufficient resources to implement the plan. 3) Corporate Disaster Recovery Plan in place, regularly reviewed and practiced. 4) Appointed officers within each service to be responsible for the continuity plans.	Heads of Service / Service Managers Heads of Service/All staff JLT Heads of Service / Appointed Officers	ongoing ongoing ongoing ongoing	ongoing ongoing ongoing ongoing	

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WS16	10-Jul-14	Legal	Alex Wilson	Breach of data protection and information security	Failure to ensure the accuracy and control of data. Not using good practice when handling data.		1) Information governance group coordinates councils' approach to risks 2) Records Management Working Group to coordinate councils' approach to records management 3) Regular buildings checks to ensure information is held securely. 4) Review of building access arrangements and implement new arrangements. 5) Improve staff communication on good practices and data security 6) Information Security e-learning rolled out - mandatory completion by all staff	Alex Wilson Alex Wilson Jon Snares Chris Beckley Marianne Hullah Alex Wilson	ongoing ongoing ongoing Aug-14 ongoing Apr-14	ongoing ongoing ongoing Apr-15 ongoing 1st phase to be completed by Sept 2014, then ongoing for all new staff to complete	
WS18	10-Jul-14	Customer Financial Professional	Rachael Mann	Poor Performance Management	Risk of individual services having below par performance levels and possible dips in performance while establishing new service models.		1) Performance and Audit Scrutiny Committee (PASC) receive comprehensive performance monitoring report 2) Early identification, reporting and monitoring of potential problem areas. 3) Reporting of KPI's to be integrated with Financial Performance reporting.	Rachael Mann / P&R Business Partners Service Managers / Business Partners / Advisers Business Partners / Advisers	On-going On-going On-going	On-going On-going Mar-15	
WS19	10-Jul-14	Economic Social	All HoS	Demographic changes	Unable to meet the demands created by population changes (caused by growth, ageing, diversity, employment) including the impact on infrastructure and other related service provision.		1) Key services (planning, housing and waste) use forecasting models (e.g. East of England forecasting model, POPGROUP) to build population change into future service planning 2) Monitor, research and analysis around demographics through DCLG, ONS, LGA, LGC and other sources and share key findings with relevant services. 3) Attend meetings of Suffolk Information Forum to share best practice around population monitoring and forecasting. NB particular attention needs to be paid to Forest Heath due to population forecasts not being able to deal accurately with USAFE population.	Simon Phelan, Stephen Wood, Mark Walsh Policy Team Policy Team	Ongoing Ongoing Ongoing	Ongoing Ongoing Ongoing	

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WS20	10-Jul-14	Physical	Liz Watts / Karen Points	Implementation of the Corporate Health and Safety Policy	Failure to ensure the safety and well being of staff. Failure to provide safe and healthy environment for visitors and the general public. Risk of corporate manslaughter charges.		1) Corporate Health and Safety strategy, objectives and implementation plans in place for all internal and external functions performed by the Council. 2) Full-time H&S Manager leading this work. 3) Well being programme in place. 4) Requirement for all staff to complete online H&S training. 5) Communications to staff. 6) Appropriate insurances in place and regularly reviewed.	Martin Hosker Martin Hosker Martin Hosker Marianne Hlland Martin Hosker	On-going On-going On-going On-going On-going	On-going On-going On-going On-going On-going	
WS21	10-Jul-14	Social Legal	Simon Phelan	Safeguarding children and vulnerable adults	Children and vulnerable adults being treated in a improper manner and not in accordance with legislation.		1) Working in Countywide safeguarding partnership. 2) Joint Vulnerable Adults Safeguarding policy to be developed October 2014. 3) Safe recruitment procedures are adopted for all staff. 4) Council's self-assessment of safeguarding arrangements confirmed by Safeguarding Board as complying with the responsibilities under the Children's Act. 5) Regular staff and member training and briefing sessions - introducing an e-learning module on safeguarding. Investigate possibility of introducing subject into Corporate Training Programme.	Simon Phelan Simon Phelan Karen Points Simon Phelan Simon Phelan / Karen Points	On-going Oct-14 Jul-09 On-going On-going	On-going On-going On-going On-going On-going	

RISK MANAGEMENT TOOLKIT

Stage 1: Identify the risk

- Consider the 14 categories of risk
- Discuss with colleagues and group
- Examine trends
- Analyse previous problems
- Consider experiences from other organisations

Risk Category	Description Category of Risk	Strategic or Service
Political	Incorrect strategic priorities – not meeting government agenda – failure to make decisions quickly – decision made using incomplete or faulty data – failure to fulfil commitments – community planning oversights or errors.	Strategic (Reputation / Legal)
Economic	National or regional economic problems – failure to control capital – treasury risk – failure to identify business and /or service opportunities.	Strategic (Financial)
Social	Failure to meet the needs of disadvantaged communities – impact of demographic changes – failure to address employment challenges – lack of development – failure of partnership working – failure in delivering life-long learning – failure to control crime and disorder – failure to control civil unrest.	Strategic (Financial / Legal)
Legislative	Judicial review – HRA breaches – failure to adequately respond to new legislation – intervention by regulatory bodies.	Strategic (Financial / Legal)
Competitive	Loss of service to central government, agencies and private sector – failure to demonstrate best value – failure of bids for government funds.	Strategic (Financial)
Customer	Failure to undertake appropriate consultation – impact of social policies – poor public and media relations.	Strategic (Reputational)
Technological	Strategic: Obsolescence of technology – inadequate implementation of security policies leading to disclosure, modification or loss of data – failure of communications systems	Strategic & Service (Financial / Reputation / Technological)
Technological	Service: Failure of large technology-related project – failure of critical IT systems affecting service delivery – breach of security of network or data – mismanagement of internet and/or intranet.	Strategic & Service (Financial / Reputation / Technological)
Environmental	Impact on recognised environmental policies – noise, contamination and pollution – impact on planning and transportation policies.	Strategic & Service (Reputation / Legal)
Professional	Failure to recruit or retain qualified staff – lack of training – overreliance on key officers – inefficient or ineffective management processes – inability to implement change – lack of staff motivation or efficiency – bad management of partnership working.	Service (Financial / Reputation)
Financial	Failure of major project – failure to prioritise, allocate and monitor budgets – inefficient or ineffective processing of financial documentation.	Service (Financial / Reputation / Legal)
Legal	Failure to meet statutory duties and /or deadlines – disclosure of DPA related data – failure to comply with Central Government directives on procurement of works, supplies and services – failure to implement legislative changes.	Service (Legal)
Physical	Attacks on personnel – loss of personnel – loss of intangible assets – non-compliance with H&S legislation – loss of physical assets.	Service (Personnel/Asset)
Partnership / Contractual	Over-reliance on suppliers or contractors – failure of outsource provider to deliver – failure in standards in quality – non-compliance with procurement policies.	Service (Financial / Reputation / Legal)
Information	Systems and management data not up-to-date – ineffective prediction of trends and forecasting service needs.	Service (Financial / Technology)

Stage 2: Assess the risk

Threats	Consider events or situations that could exploit or trigger known or unknown vulnerabilities. (<i>Threats are generally Natural, Human or Environmental</i>)
Vulnerabilities	Consider weaknesses in control, either identified or perceived, that could allow the threat to be realised.
Risks	Where there is a threat that can be realised through a vulnerability, this should be considered as a risk and recorded.

Stage 3: Rate the risk

Consider the **probability** of the event happening over a period of time.

Consider the **impact** on the Authority of an event being realised.

PROBABILITY x IMPACT + RISK RATING

PROBABILITY

Descriptor	Level	Probability of the event happening over the period of one year
Probable	5	≥ 90%
Likely	4	≥ 50% and < 89%
Possible	3	≥ 20% and < 49%
Unlikely	2	≥ 1% and < 19%
V. Unlikely	1	< 1%

IMPACT ON THE AUTHORITY OF AN EVENT BEING REALISED

Descriptor	Level	Financial	Reputation	Legal	Personnel	Asset	Technology
Severe	5	≥ £1M	Irrecoverable	Major legal or regulatory sanction	Death	Massive irrecoverable damage / total loss	No alternative manual fall-back
Significant	4	≥ £250K	Legally damaging (civil or criminal)	Significant legal or regulatory sanction	Permanent avoidable disability	Major damage / significant loss	Manual fall-back available in the short term
Moderate	3	≥ £50K	Perception	Some legal or regulatory sanction	Sever injury / hospitalisation	Moderate damage	Manual fall-back available in the medium term
Minor	2	≥ £25K	Mildly embarrassing	Some legal or regulatory notification	First Aid required	Minor damage	Manual fall-back available in the long term
Insignificant	1	≥ 1K	None	No legal or regulatory consequences	None	None	Manual fall-back available indefinitely

RISK RATING MATRIX

Probability	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		Impact				

RISK RATING DEFINITIONS

Risk Rating	Level of Risk	Action required to mitigate risk
≥ 15	HIGH	Immediate action required to transfer, treat or remove the risk
≥ 5 and <15	MEDIUM	Some degree of planned action required to transfer, treat, tolerate or remove the risk
< 5	LOW	No further action required – continue monitoring the situation

Stage 4 : Control the risk

Assess the current controls in place to establish whether they are Effective, Partially Effective or Ineffective.

Develop SMART actions to control the risk by:

- Transferring the risk
- Treating the risk
- Tolerating the risk
- Removing the risk

Any Service risks that are HIGH or any common risks that could aggregate into a Strategic Risk must be escalated to JLT for review.

Stage 5: Monitor the risk

Risks should be regularly reviewed and reported through:

- Strategic Risk Register Group meetings
- JLT meetings
- Head of Service and Service Managers meetings
- Performance, Audit & Scrutiny Committee meetings

Risk ratings and relevance must be reassessed regularly or whenever a trigger event occurs, such as:

- Risk scenario changes
- A new risk is identified
- There is a significant change in working practice, environment or system

