



Corporate Risk Register
and
Management Action Plan
2010-11

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Worcester City Council – Corporate Risk Register and Management Action Plan

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Overview of Strategic Risk Management

This document outlines how we plan to address the strategic risks and reduce them to an acceptable level below the tolerance line. For more information see the Risk Management Strategy (Cabinet Sept 04).

Strategic Risk Management is about managing the barriers to achieving our business objectives

Any change, particularly policy changes needing approval from Cabinet, may have risks associated with them.

In simple terms you should think about (analyse) the risk as follows;-

- **Vulnerability:** what is the service or project vulnerable to; i.e. what could we suffer; a failure to deliver, loss/shortfall or a barrier to achieving an objective?
- **Trigger:** what could happen or what event could lead to suffering this failure etc? (**likelihood**)
- **Consequences:** if a failure happens, how big a problem would this be? (**impact**)

We use this way of analysing risks in this Strategic Risk Register (our record of all the most serious Strategic Risks).

We measure how serious the risk is i.e. what priority we should give to preventative action as follows;-

Risk Profile Template - to help us make judgments about the risks to achieving our key aims and objectives.

<i>Likelihood;</i>	<i>Guidance on the scale of likelihood and impact</i>
A - Very high	There is little doubt that it will happen soon
B- High	Strong chance that it will happen within the next year or so
C – Significant	50:50 chance of it happening
D – Low	Less than 50:50, chance of it happening
E - Very low	Unlikely to happen but not impossible
F - Almost impossible	The “one in a million” event
<i>Impact (how big a problem):</i>	
1 – Catastrophic	Service unable to be delivered
2 – Critical	Material effect on resources and disruption of service delivery
3 – Marginal	Could be contained within resources and service delivery
4 – Negligible	Hardly noticeable – very minor effect on organisation

A risk with a strong chance of it happening in the next year or so would be assessed as “**High - B**”. If this would also have a material effect on resources and disrupt the service delivery it would also be assessed as “**Critical – 2**”. Therefore this risk would be classed as a “**B2**” risk. Managers are encouraged to talk about risks in this way i.e. talking about them being an A1's or B3's risk etc.

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This table is called the **Risk Profile Template**. The shaded boxes represent risks that we are prepared to live with. The white boxes represent risks we wish to actively manage to reduce the risk. This sets a theoretical **tolerance line**. Therefore those risks classed above the line (e.g. B2) require further action (see MAP below) and those below the line (e.g. D3) have sufficient control in place.

Likelihood ↑	A				
	B				
	C				
	D				
	E				
	F				
		4	3	2	1
		Impact ⇒			

Management Action Plan (MAP)

If a risk is above the tolerance line (in one of the white boxes) we need to put in place a plan to manage the risk and reduce it to an acceptable level of risk below the tolerance line (into one of the shaded boxes).

How we review Strategic Risks

Members and senior managers are provided with training and briefing on our Risk Management Strategy. This includes the process we use for identifying, reviewing and assessing the priority or severity of risks. A Risk Management Workshop for Councillors provides the opportunity for all members to contribute to the review. Assessment of strategic risks is embedded into the Corporate and Service Planning process. The Business Risk Group reviews the Strategic Risk Registers quarterly. The corporate management team (CMT) review risks assessed in service plans, and assesses corporate (plan) risks i.e.

those risks which effect high level strategic objectives or cut across the council. Senior managers (Leadership Team) keep under review the strategic risks affecting their respective services, and ensure that the register is kept upto date. Our reporting framework requires every [Cabinet] report to identify risk management implications and any actions for those risks above the tolerance line. This is also used to update the risk register.

Review of the Corporate Risk Register and Management Action Plan

The Cabinet approves the Plan each year by assessing all areas of risk and the progress in reducing existing risks. Where actions have largely been completed and the priority of the risk has reduced to below the level the tolerance line, these items are set aside as they no longer need active management. However, they may still need to be monitored by managers to ensure they do not move back above the tolerance line. Risks that remain above the tolerance line are carried forward each year.

This Document: Corporate Risk Register and Management Action Plan

This document contains the strategic risks assessed as current for this year and the action plans required to reduce the risks to below the tolerance line. Service risks are contained in the document *Strategic risk register – service risks*.

Monitoring and review of the management action plans

The Risk Register is embedded into the Performance Management Framework, and monitored with corporate and service plans. The overall Risk Register is also monitored through the Business Risk Group.

CORPORATE RISK PROFILE TEMPLATE – OFFICER ASSESSMENTS OF RISK

LIKELIHOOD	A			CR9, (1-2)	(0-0)
	B			CR13, CR18 (2-1)	(0-1)
	C			CR3, CR4, CR5, CR11, CR14 CR16, CR20, CR21 (8-11)	(0-0)
	D				(0-1)
	E				
	F				
		4	3	2	1
	IMPACT				

The table maps the risk profile of the Council showing the risks assessed for 2010 (total number for 2010 compared to 2009 shown in brackets). Items in bold have been changed or added during the year. The total number of strategic corporate risks identified in 2009 was 17. This has reduced to 11 this year. Risk falling below the tolerance line (shaded) will be removed from the risk register as they have sufficient controls in place. The overall strategic risk profile of the Council shows a reduction in risks and a reduction in the risk levels.

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Risk No.	Description of the risk	Current Score	Management Action Planned	Target Score	Critical Success Factors	Key Dates	Responsibility / progress
	Priorities & Resource Management						
CR3	Business improvement - inability to deliver business improvements in the build up to shared services.	C2	Leadership team reviewing strategic arrangements. Produce a corporate business strategy identifying resources, issues, dependencies & priorities to guide development.	C3	Transition programme agreed. All key business issues addressed & owned by all.	Quarterly monitoring dates	KPG: PIE Officer: HPIE / CMT Progress slow due to focus on WETT projects
CR4	Strategic review of property – inability to match expectations from reviews e.g. car parks, and Guildhall.	C2	Project boards set up with Cabinet member involvement and early monitoring reports to cabinet	E3	Projects completed and outcomes on target	¼ly monitoring	KPG: Urban Renaissance Officer: HG&CS
CR18	Economic downturn and government reductions in public spending could be worse than allowed for in MTFS	B2	Review of corporate plans and MTFS brought forward to early 2010-11. Ensure a balanced and robust budget that has resilience to face risks (Spring Review)	D3	Corporate plan and MTFS reviewed in time to implement reductions for 2011	July 2010 December 2010	KPG: PIE Officer: HFS / CMT

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Risk No.	Description of the risk	Current Score	Management Action Planned	Target Score	Critical Success Factors	Key Dates	Responsibility / progress
	Human Resources						
CR5	Sickness absence – inability to reduce days lost to sickness absence – impact on productivity and management time	C2	Continue to roll out new absence management policy; robust approach for management to tackle frequent absences. HR provides monthly management information to line managers which includes regular monitoring	C3	Achieve target level of absence in 2010-11 maintaining improvement.	Quarterly monitor dates	KPG: PIE Officer: HPIE / CMT Rising sickness levels stemmed; 9.89 in 2009-10 (9.81 in 2008-09) New policy beginning to work
CR6	Collaboration & Shared Services agenda - inability to manage HR issues and communications with employees and Councillors.	E3	Develop a clear and regular communications plan. Agree with other councils at the outset. Establish at the start of the project the HR plan to address employee concerns about risk of redundancy and loss of jobs	D3	No perceived detriment to staff morale, turnover, skills, capacity, and service delivery	Quarterly monitor dates	KPG: PIE Officer: HPIE / CMT WETT programme completed, HR and issues managed well Communications developing
CR7	Reduced management and staff resources - inability to deliver key projects and	B3	Review of corporate working, values and behaviours	D3	Projects delivered to plan and on time	¼ly monitoring Weekly CMT monitoring	KPG: PIE Officer: HPS / HPIE

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Risk No.	Description of the risk	Current Score	Management Action Planned	Target Score	Critical Success Factors	Key Dates	Responsibility / progress
	tasks		with a consequent Change Programme			of Budget Action Plan	Budget reductions and shared services delivered
CR9	Work Force Plan - inability to produce a plan coupled with a high turnover of older workers resulting in insufficient skills, knowledge & experience within the workforce	C2	Produce a workforce plan	E4	Review of previous Workforce Development Plan which results in the production of a clear and concise document which will be of use / value to the council in addressing this matter	Dec' 10	KPG: PIE Officer: HPIE Work has commenced on Work Force Plan, delayed during WETT project, now back as a priority
	Governance						
	Governance of Partnerships and collaborative working						
CR11	Partnership governance, monitoring and scrutiny arrangements fail to safeguard the Council's service, policy, resources and reputation	C2	Review of partnership governance arrangements being undertaken by HGCS	D3	Robust agreements in place for all partnerships	Monitor progress 30-09-08 Completed 31-03-09	KPG: Customer Care & Citizen Engagement Officer: HG&CS Action to Improve performance monitoring and Scrutiny has been a focus in 2009

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Risk No.	Description of the risk	Current Score	Management Action Planned	Target Score	Critical Success Factors	Key Dates	Responsibility / progress
CR13	LAA – without effective input from the City Council this will distort our outcomes (priorities) and funding	B2	Action in response to outcomes to ensure we respond to this as we learn	C3	LAA outcomes support the City priorities	Ditto	KPG: PIE Officer: CE
CR20	SW Joint Core Strategy – inability to agree a SWJCS will prevent the city from achieving planned growth and sustainable development	C2	Continue joint working arrangements with WDC and MHDC. Seek to improve joint working arrangements.	D2	City Council commitment to growth-based spatial planning for the city. WDC and MHDC acceptance of Worcester growth and urban extensions. Submission of SWJCS that meets city requirements. Challenging NIMBYism and making an evidence-based case for growth.	Mid 2010 onwards – develop amended SWJCS proposals.	KPG: UR Officers: MD & HUE
	Management competencies						
CR14	Managers may lack the more general management skills such as people and business management	C2	Training needs identified at appraisals – need to be completed	E3	Managers assessed as not lacking further training needs		KPG: PIE Officer: HPIE Planned for 2010
	Crime and Disorder						
	Dealing with Customers and Business Continuity						

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Risk No.	Description of the risk	Current Score	Management Action Planned	Target Score	Critical Success Factors	Key Dates	Responsibility / progress
CR16	Customer dissatisfaction – injury to our reputation / Customer Services / communications through inability to maintain prompt and effective service to the public	C2	Hub shared service in place. Comms team in place. Complaints system being implemented.	D3	Level of complaints reduces	Qtrly monitoring	KPG: Customer Care & Citizen Engagement Officer: HFS / HPIE Shared service beginning to settle but throughput still challenges performance
	Political						
CR21	Political change – aims not achievable - Council in no overall control and Cabinet decisions not approved	C2	New MD working closely with Leaders	D3	Decisions made and implemented	Feb 2011	Leader of the Council and MD
Councillors have also identified the following strategic risks:							
	Further risks identified by Cabinet (members (Oct 2009 – now updated by officer risk assessment):						
CB2	Inability to collect Council Tax due to economic downturn	C2	See CR18 (page 6)	D3			
CB5	Reduction in income and grants	B2	See CR18 (page 6)	D3			
CB6	Inability to manage Shared Service goals and collaborative working	C2	See CR11 (page 8)	D3			

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Risk No.	Description of the risk	Current Score	Management Action Planned	Target Score	Critical Success Factors	Key Dates	Responsibility / progress
	Further risks identified by other members (Oct 2009 – now updated by officer risk assessment):						
MR1	Political change – aims not achievable		See CR21 (page 10)				
MR3	Inability of the Customer Services Hub to cope with level of demand and injury to our reputation		See CR11 (page 8)	D3			
MR5	Loss of key employees and skills	D2	See CR9 (page 8)	E4			
MR6	IT failure / virus / over reliance in IT	D1	See CR11 (page 8)	D3			
MR7	W shaped recession	C2	See CR18 (page 6)	D3			
MR8	Reduced funding from government	B2 / A2	See CR18 (page 6)	D3			
MR10	Developer growth and control impact		See CR20 (page 9)	D2			
MR11	Council in no overall control and Cabinet decisions not approved		See CR21 (page 10)				