



**Meeting:** Enterprise Board

**Date:** 10 December 2008

**Report Title:** Enterprise Board Risk Register

**Report of:** Karen Galey – Head of Economic Regeneration

#### **Purpose**

The present the Enterprise Board Risk Register.

#### **Summary**

The Haringey Strategic Partnership (HSP), at its meeting on 3 July 2008, formally approved a Risk Management Strategy. This strategy requires each HSP Theme Board and the Performance Management Group (PMG) to produce a Risk Register, which identifies the key risks and remedial actions associated with delivering the LAA targets they lead on (National Indicators and Stretch Targets).

The Risk Register will also cover generic risks including membership, data and information management, governance and non-delivery of outcomes.

The Enterprise Board Risk Register is appended to this report.

#### **Recommendations**

1. That the Enterprise Board agrees the Risk Register.
2. That the Enterprise Board agrees to update the Risk Register on a six monthly basis.

#### **Financial/Legal Comments**

N/A

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## **Introduction**

The HSP, at its meeting on 3 July 2008, formally approved a Risk Management Strategy. This strategy requires each HSP Theme Board and the PMG to produce a Risk Register, which identifies the key risks and controls associated with delivering the LAA targets they lead on (National Indicators and Stretch Targets).

The Risk Register also covers generic risks including membership, data and information management, governance and non-delivery of outcomes.

The purpose of the Risk Register is to ensure that the HSP Theme Board and the PMG are aware and take ownership of the risks associated with delivering the LAA outcomes.

It is important that the Risk Register is kept up to date so that the Enterprise Board continues to be aware of and own the risks associated with delivering its LAA outcomes. To achieve this it is recommended that the risk register is updated on a six monthly basis.

The Enterprise Board Risk Register is appended to this report.

## **Appendices**

Risk Register referred to above.

## Appendix 1: Enterprise Board risk register

This document sets out the HSP Enterprise Board key risks, as per our agreed approach. The risks are based upon the LAA targets, which have been included below for information:

- i. NI153 – Working age people claiming out of work benefits in the worst performing neighbourhoods
- ii. NI 171 – New business registration rate
- iii. Stretch (1) – Number of people from the worst twelve wards supported into sustained work
- iv. Stretch (2) – Number of people on Incapacity Benefit for more than 6 months supported into sustained employment

### Key to the Risk Register:

**Ref:** Details the reference number (usually the National Indicator) for the risk.

**Risk Identified:** Details the risk identified by the PMG or Theme Board.

**Inherent Risk:** Is assessed by Impact (I) and Likelihood (L). The Inherent risk is the impact of the risk occurring, and how likely it is to occur, without any mitigating actions in place to address the risk. The Impact and Likelihood of the risks are scored from Low to High according to the schedule in Appendix 1 of this report. The rankings can be tied into the overall HSP risk framework.

**Controls:** The actions and processes which are currently in place to manage the risk identified.

**Residual Risk:** Is assessed on the same rankings as Inherent Risk. The Residual Risk is the impact and likelihood of the risk occurring with the current controls in place.

**Further Action:** Where there is outstanding residual risk, further actions have been identified by the Theme Board to reduce the exposure of the Theme Board to the risk. A separate action plan, including a timetable for implementation of the further actions, will be produced where appropriate.

Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
Lack of continuity of membership across the theme board							
EP1	<p>Lack of continuity of membership impacts on the ability to deliver on outcomes/targets:</p> <ul style="list-style-type: none"> <li>• High turnover of members</li> <li>• Inability to recruit and/or retain right members</li> <li>• Non-attendance of members at meetings</li> <li>• Lack of continuity and/or succession planning</li> </ul> <p><b>Risk Owner:</b> Enterprise Board Chair</p>	M	L	<ul style="list-style-type: none"> <li>• Agreed recruitment procedures for Theme Board membership</li> <li>• Enterprise Board membership reviewed on an annual basis</li> <li>• Responsibility for filling posts identified</li> <li>• Training &amp; Development for Theme Board members</li> <li>• Reporting processes to highlight and identify vacancies and/or non-attendance</li> </ul> <p><b>Control Owner:</b> Enterprise Board Co-ordinator</p>	L	L	<ul style="list-style-type: none"> <li>• Action plan to address identified gaps to be drawn up</li> <li>• To be included as a regular agenda item at Enterprise Board meetings</li> </ul>
Data Quality and/or Information management arrangements							
EP2	<ul style="list-style-type: none"> <li>• Data are not robust and/or timely enough to effectively monitor and manage performance</li> </ul>	H	L	<ul style="list-style-type: none"> <li>• Effective quality monitoring of internal performance data e.g. Haringey Guarantee employment outcomes</li> <li>• Lobby central Government for improvements to external data</li> </ul>	M	L	<ul style="list-style-type: none"> <li>• Review of existing data collection and monitoring processes</li> </ul>

Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
	<b>Risk Owner:</b> Head of Economic Regeneration			e.g. employment and business start ups  <b>Control Owner:</b> Head of Economic Regeneration			and action plan to fill gaps
Governance arrangements							
<b>EP3</b>	<ul style="list-style-type: none"> <li>Lack of strategic direction impacts on the ability to deliver on outcomes/targets</li> <li>Lack of continuity of membership impacts on the ability to deliver on outcomes/targets</li> </ul> <b>Risk Owner:</b> Enterprise Board Chair	<b>H</b>	<b>L</b>	<ul style="list-style-type: none"> <li>Terms of Reference are reviewed on an annual basis</li> <li>Positions of Chair and Vice Chair are reviewed on an annual basis</li> <li>Enterprise Board membership is reviewed on an annual basis</li> </ul> <b>Control Owner:</b> Enterprise Board Co-ordinator	<b>M</b>	<b>L</b>	<ul style="list-style-type: none"> <li>Action plan to address identified gaps to be drawn up</li> </ul>
Non-delivery of outcomes; allocation of resources, commissioning, spend, linkages to other theme boards/cross-cutting work not identified							
<b>EP4</b>	<ul style="list-style-type: none"> <li>LAA outcomes are not delivered</li> <li>Delivery projects do not meet spend profile</li> <li>Enterprise Board</li> </ul>	<b>H</b>	<b>L</b>	<ul style="list-style-type: none"> <li>Delivery partners are regularly monitored on outcome and financial performance.</li> <li>Performance and progress reports are received at every Enterprise Board meeting.</li> </ul>	<b>H</b>	<b>L</b>	<ul style="list-style-type: none"> <li>Action plan to address identified gaps to be drawn up</li> <li>Evaluating</li> </ul>

Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
	<p>membership is not wide enough to ensure linkages to other theme boards/cross cutting work</p> <p><b>Risk Owner:</b> Head of Economic Regeneration</p>			<ul style="list-style-type: none"> <li>Enterprise Board membership is reviewed on an annual basis</li> <li>Enterprise Board representative attends the HSP Co-ordinators meetings.</li> </ul> <p><b>Control Owner:</b> Head of Economic Regeneration</p>			the role of delivery partners where appropriate
Working age people claiming out of work benefits in the worst performing neighbourhoods							
<b>NI 153</b>	<ul style="list-style-type: none"> <li>The economy continues to deteriorate resulting in benefit claim rates increasing rather than decreasing</li> <li>Increased financial costs incurred (e.g. Housing Benefit) due to rising number of people claiming unemployment related benefits</li> <li>Delivery partners do not achieve specified outcome targets</li> </ul>	<b>H</b>	<b>M</b>	<ul style="list-style-type: none"> <li>Delivery partners are regularly monitored on outcome and financial performance.</li> <li>Performance and progress reports are received at every Enterprise Board meeting.</li> <li>Increasing the role of the Haringey Guarantee to support people who have recently become unemployed.</li> <li>Increasing the support offer to businesses through the Employer Zone and Single Business Account.</li> <li>Improving employer</li> </ul>	<b>H</b>	<b>M</b>	<ul style="list-style-type: none"> <li>Conduct further research into the impact of the current economic climate on Haringey.</li> <li>Evaluating the role of Haringey Guarantee delivery partners where appropriate.</li> </ul>

Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
	<b>Risk Owner:</b> Regeneration Manager (Employment & Skills) and External Relations Manager (JCP)			<p>engagement, through initiatives such as the Employer Zone and Local Employment Partnerships to widen the employment opportunities available to Haringey Guarantee residents</p> <ul style="list-style-type: none"> <li>• Holding information sessions and events to support people to maximise their incomes</li> <li>• Placing Haringey Guarantee advisers in local Job Centre Plus offices.</li> </ul> <p><b>Control Owner:</b> Regeneration Manager (Employment &amp; Skills) and External Relations Manager (JCP)</p>			
New business registration rate							
<b>NI 171</b>	<ul style="list-style-type: none"> <li>• The economy continues to deteriorate making it more difficult for businesses to generate the turnover £67k to become VAT registered automatically.</li> </ul>	<b>M</b>	<b>M</b>	<ul style="list-style-type: none"> <li>• Promote the benefits of voluntary registration through our ABG funded programme.</li> <li>• Identify new markets that are viable during an economic downturn and focus business</li> </ul>	<b>M</b>	<b>L</b>	<ul style="list-style-type: none"> <li>• Evaluating the role and performance of delivery partners in business</li> </ul>

Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
	<p>Or inhibiting the number of start-up businesses in the borough.</p> <p><b>Risk Owner:</b> Business and Enterprise Manager</p>			<p>start-up programmes in those areas.</p> <p><b>Control Owner:</b> Business and Enterprise Manager</p>			<p>support and advice provided within the borough.</p>
Number of people from the worst twelve wards supported into sustained work							
<b>Stretch (1)</b>	<ul style="list-style-type: none"> <li>The economy continues to deteriorate making it more difficult to engage with long-term Job Seekers Allowance claimants and lone parents</li> <li>Delivery partners do not achieve specified outcome targets</li> </ul> <p><b>Risk Owner:</b> Regeneration Manager (Employment Skills)</p>	<b>H</b>	<b>L</b>	<ul style="list-style-type: none"> <li>Delivery partners are regularly monitored on outcome and financial performance.</li> <li>Performance and progress reports are received at every Enterprise Board meeting.</li> <li>Increasing the outreach facilities from which the Haringey Guarantee operates.</li> <li>Improving employer engagement, through initiatives such as the Employer Zone to widen the employment opportunities available to Haringey Guarantee residents</li> </ul>	<b>H</b>	<b>L</b>	<ul style="list-style-type: none"> <li>Evaluating the role of Haringey Guarantee delivery partners where appropriate.</li> </ul>



Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
				<b>Control Owner:</b> Regeneration Manager (Employment & Skills)			
Number of people on Incapacity Benefit for more than six months supported into sustained employment							
<b>Stretch (2)</b>	<ul style="list-style-type: none"> <li>Current performance in relation to this stretch target continues to be weak</li> <li>The economy continues to deteriorate making it more difficult to engage with long-term Incapacity Benefit claimants</li> </ul> <p><b>Risk Owner:</b> Regeneration Manager (Employment &amp; Skills)</p>	<b>H</b>	<b>L</b>	<ul style="list-style-type: none"> <li>Increasing the outreach facilities from which the Haringey Guarantee operates.</li> <li>Delivery partners are regularly monitored on outcome and financial performance.</li> <li>Performance and progress reports are received at every Enterprise Board meeting.</li> <li>Improving employer engagement, through initiatives such as the Employer Zone to widen the employment opportunities available to Haringey Guarantee residents</li> <li>Revising contractual arrangements with Haringey Guarantee providers to ensure that they are targeted to support Incapacity Benefit</li> </ul>	<b>H</b>	<b>L</b>	<ul style="list-style-type: none"> <li>Evaluating the role of delivery partners where appropriate.</li> </ul>

<i>Ref</i>	<b>Risk Identified</b>	<i>Inherent Risk</i>		<b>Controls</b>	<b>Residual Risk</b>		<b>Further Action</b>
		<b>Impact</b>	<b>L.hood</b>		<b>Impact</b>	<b>L.hood</b>	
				claimants <ul style="list-style-type: none"> <li>• Seeking to renegotiate this stretch target with central government</li> </ul> <b>Control Owner:</b> Regeneration Manager (Employment & Skills)			

## Appendix A1

### Impact and Likelihood Scales

To be used as a guide in assessing risk ratings:

<b>Descriptor</b>	<b>Impact Guide</b>	<b>Likelihood Guide</b>
<b>LOW</b>	No or limited impact. Financial loss up to £10,000, or no impact outside single objective or no adverse publicity	Up to 10% likely to occur in next 12 months
<b>MEDIUM</b>	Financial loss up to £300,000, or impact on many other processes, or local adverse publicity, or regulatory sanctions (such as intervention, public interest reports)	Up to 40% likely to occur in next 12 months
<b>HIGH</b>	Financial loss up to £1 million, or major impact at strategic level, or closure/transfer of business	Up to 90% likely to occur in next 12 months