

Meeting: Enterprise Partnership Board

Date: 9 March 2009

Report Title: Enterprise Board Risk Register

Report of: Karen Galey – Head of Economic Regeneration

Purpose

The present an update of the Enterprise Board risk register, namely the risks associated with National Indicator (NI) 153 (working age people claiming out of work benefits in the worst performing neighbourhoods).

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 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 Enterprise Board endorsed its risk register on 10 December 2008 and agreed to receive updates at every other meeting. However, due to the current economic climate it was agreed that the Board would receive an update on NI 153 at every meeting.

The Enterprise Board should note that the likelihood of the inherent risks, identified for NI 153, being realised has been increased from medium to high due to economic conditions continuing to deteriorate.

Recommendations

That the Enterprise Board notes the risk register, updated in relation to NI 153.

Financial/Legal Comments

N/A

For more information contact:

Name: Ambrose Quashie
Title: Employment & Skills Policy Officer
Tel: 020 8489 6914

1. Introduction

- 1.1 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 controls associated with delivering the LAA targets they lead on (National Indicators and stretch targets).
- 1.2 The risk register also covers generic risks including membership, data and information management, governance and non-delivery of outcomes.
- 1.3 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.
- 1.4 The Enterprise Board endorsed its risk register on 10 December 2008 and agreed to receive updates at every other meeting. However, due to the current economic climate it was agreed that the Board would receive an update on NI 153 at every meeting.
- 1.5 The Enterprise Board risk register, complete with updated risks and remedial actions in relation to NI 153, is appended to this report. The updates to the risk register are marked in red.
- 1.6 The Enterprise Board should note that the likelihood of the inherent risks, identified for NI 153, being realised has been increased from medium to high due to economic conditions continuing to deteriorate.

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

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

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

Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
	Risk Owner: Regeneration Manager (Employment & Skills) and External Relations Manager (JCP)			<p>engagement, through initiatives such as the Employer Zone and Local Employment Partnership (LEP) to widen the employment opportunities available to Haringey Guarantee residents</p> <ul style="list-style-type: none"> • Holding information sessions and events to support people to maximise their incomes • Placing Haringey Guarantee advisers in local Job Centre Plus offices. • Increasing the number of outreach venues from which the Haringey Guarantee operates to 40. • JCP have opened the programme Centre eligibility to day one for newly unemployed • Pre Employment Training offer from day one of unemployment via the LSC 			<ul style="list-style-type: none"> • Conduct a monthly review of pre employment training to ensure it is meeting the needs of employers and customers.

Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
				<p>LEP programme run by JCP</p> <ul style="list-style-type: none"> JCP offer a Rapid Response Service where JCP can intervene to help when businesses are making people redundant. This service funding has been doubled to £6m nationally and will be doubled again to £12m to extend the service to smaller companies and localities affected by multiple redundancies Promoting all LEP vacancies and opportunities with providers and partners to ensure maximum take up <p>Control Owner: Regeneration Manager (Employment & Skills) and External Relations Manager (JCP)</p>			
New business registration rate							

Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
NI 171	<ul style="list-style-type: none"> The economy continues to deteriorate making it more difficult for businesses to generate the turnover £67k to become VAT registered automatically. Or inhibiting the number of start-up businesses in the borough. <p>Risk Owner: Business and Enterprise Manager</p>	M	M	<ul style="list-style-type: none"> Promote the benefits of voluntary registration through our ABG funded programme. Identify new markets that are viable during an economic downturn and focus business start-up programmes in those areas. <p>Control Owner: Business and Enterprise Manager</p>	M	L	<ul style="list-style-type: none"> Evaluating the role and performance of delivery partners in business support and advice provided within the borough.
Number of people from the worst twelve wards supported into sustained work							
Stretch (1)	<ul style="list-style-type: none"> The economy continues to deteriorate making it more difficult to engage with long-term Job Seekers Allowance claimants and lone parents Delivery partners do not achieve specified outcome targets <p>Risk Owner: Regeneration Manager (Employment Skills)</p>	H	L	<ul style="list-style-type: none"> Delivery partners are regularly monitored on outcome and financial performance. Performance and progress reports are received at every Enterprise Board meeting. Increasing the outreach facilities from which the Haringey Guarantee operates. Improving employer engagement, through 	H	L	<ul style="list-style-type: none"> Evaluating the role of Haringey Guarantee delivery partners where appropriate.

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

<i>Ref</i>	Risk Identified	<i>Inherent Risk</i>		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
				<ul style="list-style-type: none"> • Revising contractual arrangements with Haringey Guarantee providers to ensure that they are targeted to support Incapacity Benefit claimants • Seeking to renegotiate this stretch target with central government <p>Control Owner: Regeneration Manager (Employment & Skills)</p>			

Appendix A1

Impact and Likelihood Scales

To be used as a guide in assessing risk ratings:

Descriptor	Impact Guide	Likelihood Guide
LOW	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
MEDIUM	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
HIGH	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