

**Meeting:** Enterprise Partnership Board

**Date:** 5 May 2009

**Report Title:** Enterprise Board Risk Register

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

### **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 Local Area Agreement (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 full updates on a six monthly basis.

The Enterprise Board should note that the likelihood of the inherent risks identified for the two employment stretch targets and NI 171 (New business registration rate) being realised has been increased from medium to high due to economic conditions continuing to deteriorate.

The Risk Register is included in Appendix 1 of this report.

### **Recommendations**

That the Enterprise Board notes this report.

### **Financial/Legal Comments**

N/A.

### **For more information contact:**

Name: Ambrose Quashie  
Title: Employment & Skills Policy Officer  
Tel: 020 8489 6914  
Email address: [ambrose.quashie@haringey.gov.uk](mailto:ambrose.quashie@haringey.gov.uk)

## Appendix 1: Enterprise Board Risk Register

### Enterprise Board – Significant Risks

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 membership is not wide</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>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> <p><b>Risk Owner:</b> Regeneration</p>	<b>H</b>	<b>H</b>	<ul style="list-style-type: none"> <li>Using ABG allocation to commission employment and skills interventions.</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>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</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> <li>Conduct a</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>	
	Manager (Employment & Skills) and External Relations Manager (JCP)			Business Account. <ul style="list-style-type: none"> <li>• Improving employer engagement, through initiatives such as the Employer Zone and Local Employment Partnerships to widen the employment opportunities available to Haringey Guarantee residents</li> <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> <li>• Increasing the number of outreach venues from which the Haringey Guarantee operates to 40.</li> <li>• JCP have opened the programme Centre eligibility to day one for newly unemployed</li> <li>• Pre Employment Training offer from day one of unemployment via the LSC LEP programme</li> </ul>			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>run by JCP</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Promoting all LEP vacancies and opportunities with providers and partners to ensure maximum take up</li> <li>• <b>[Add control around volunteering]</b></li> <li>• Rapid Response Group, which includes JCP, Haringey Council and LSC, meets on a 6 weekly basis to ensure co-ordinated and effective response.</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) and External Relations Manager (JCP)			
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. Or inhibiting the number of start-up businesses in the borough.</li> </ul> <p><b>Risk Owner:</b> Business and Enterprise Manager</p>	<b>H</b>	<b>M</b>	<ul style="list-style-type: none"> <li>Using ABG allocation to commission business support interventions.</li> <li>Identify new markets that are viable during an economic downturn and focus business start-up programmes in those areas.</li> </ul> <p><b>Control Owner:</b> Business and Enterprise Manager</p>	<b>M</b>	<b>L</b>	<ul style="list-style-type: none"> <li>Evaluating the role and performance of delivery partners in business support and advice provided within the borough.</li> </ul>
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 support long-term Job Seekers Allowance claimants and</li> </ul>	<b>M</b>	<b>H</b>	<ul style="list-style-type: none"> <li>Using ABG allocation to commission employment and skills interventions.</li> <li>Delivery partners are regularly monitored on outcome and</li> </ul>	<b>M</b>	<b>M</b>	<ul style="list-style-type: none"> <li>Evaluating the role of Haringey Guarantee delivery</li> </ul>



Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
	<p>lone parents into employment</p> <ul style="list-style-type: none"> <li>• Delivery partners do not achieve specified outcome targets</li> </ul> <p><b>Risk Owner:</b> Regeneration Manager (Employment Skills)</p>			<p>financial performance.</p> <ul style="list-style-type: none"> <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> <p><b>Control Owner:</b> Regeneration Manager (Employment &amp; Skills)</p>			<p>partners where appropriate.</p>
Number of people on incapacity related benefits 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 long-term incapacity related benefit</li> </ul>	<b>M</b>	<b>H</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</li> </ul>	<b>M</b>	<b>M</b>	<ul style="list-style-type: none"> <li>• Evaluating the role of delivery partners where appropriate.</li> </ul>

Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
	<p>claimants into employment</p> <p><b>Risk Owner:</b> Regeneration Manager (Employment &amp; Skills)</p>			<p>reports are received at every Enterprise Board meeting.</p> <ul style="list-style-type: none"> <li>Improving employer engagement, through initiatives such as the Employer Zone to widen the employment opportunities available to Haringey Guarantee residents</li> <li>Seeking to renegotiate this stretch target with CLG</li> <li>SLA in place with Reed in Partnership (the local Pathways to Work provider) to better support this target group (subject to CLG approval)</li> </ul> <p><b>Control Owner:</b> Regeneration Manager (Employment &amp; Skills)</p>			

## 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