

Meeting: Enterprise Partnership Board

Date: 17 November 2009

Report Title: Enterprise Partnership Board Risk Register

Report of: Marc Dorfman – Assistant Director Planning and Regeneration

Purpose

The present the full six monthly update of 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 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 decided at its meeting on 10 December 2008 to receive full updates on its risk register 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. This report presents the full update of the risk register.

The Enterprise Board should note that the following:

- The control owner for risks EP2 and EP4 has been changed from the Head of Economic Regeneration to the Assistant Director Planning & Regeneration.
- The controls for NI 153 have been updated.
- The residual risk (likelihood) in relation to Stretch (2) has been upgraded from medium to high. This reflects the increased likelihood that this stretch target will not be achieved.
- The controls for Stretch (2) have been updated to include a new partnership agreement with SLA.

The risk register is included in Appendix 1 of this report.

Recommendations

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

Financial/Legal Comments

N/A.

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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.

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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 <p>Risk Owner: Assistant Director Planning & Regeneration</p>	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 e.g. employment and business start ups <p>Control Owner: Assistant</p>	M	L	<ul style="list-style-type: none"> • Review of existing data collection and monitoring processes and action plan to fill gaps

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Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
				Director Planning & Regeneration			
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 <p>Risk Owner: Enterprise Board Chair</p>	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 <p>Control Owner: Enterprise Board Co-ordinator</p>	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 membership is not wide enough to ensure linkages to other theme boards/cross cutting work <p>Risk Owner: Assistant Director Planning & Regeneration</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. Enterprise Board membership is reviewed on an annual basis Enterprise Board representative attends the HSP Co-ordinators meetings. <p>Control Owner: Assistant</p>	H	L	<ul style="list-style-type: none"> Action plan to address identified gaps to be drawn up Evaluating the role of delivery partners where appropriate

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Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
				Director Planning & Regeneration			
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 <p>Risk Owner: Regeneration Manager (Employment & Skills) and External Relations Manager (JCP)</p>	H	H	<ul style="list-style-type: none"> Used ABG allocation to commission employment and skills interventions (Haringey Guarantee and Families into Work). Delivery partners are regularly (and independently) monitored on 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 Improving employer engagement, through initiatives such as the Employer Zone and Local Employment Partnerships to widen the employment opportunities available to Haringey Guarantee residents 	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. Conduct a monthly review of pre employment training to ensure it is meeting the needs of employers and

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Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
				<ul style="list-style-type: none"> • Agreeing a SLA with JCP that allows JCP advisers to make referrals to the Haringey Guarantee. • Agreeing a SLA with Reed in Partnership that will allow incapacity related benefit claimants to have access to a more comprehensive package of support. • Extending the North London Pledge up to March 2011. This extension will support approximately 400 people into sustained employment across Haringey, Enfield and Waltham Forest. • 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 LEP programme run by JCP • JCP offer a Rapid Response Service where JCP can intervene to help when businesses are making people 			customers.

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		Impact	L.hood		Impact	L.hood	
				<p>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</p> <ul style="list-style-type: none"> • Promoting all LEP vacancies and opportunities with providers and partners to ensure maximum take up • In and Out of work programme roll out on 26 October 2009. • Care Partnership managers, linked to Government's Carers Strategy, in JCP district in post by mid-September 2009. • JCP Drugs Co-ordinators – to oversee and promote the District Drug treatment referral programme, liaise with providers, local authorities and wider community. • Support for young people to include; • Young Persons Guarantee, a new cross-departmental 			

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Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
				campaign (Backing Young Britain) can offer a job, work-focused training, or meaningful activity to 18-24yr olds before they reach the 12mth JSA. Pathways for under 25s on IB <ul style="list-style-type: none"> • Rapid Response Group, which includes JCP, Haringey Council and LSC, meets on a 6 weekly basis to ensure co-ordinated and effective response. • Options & Choices events for lone parents <p>Control Owner: Regeneration Manager (Employment & Skills) and External Relations Manager (JCP)</p>			
New business registration rate							
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 	H	M	<ul style="list-style-type: none"> • Using ABG allocation to commission business support interventions. • Identify new markets that are viable during an economic downturn and focus business start-up programmes in those areas. 	M	L	<ul style="list-style-type: none"> • Evaluating the role and performance of delivery partners in business support and advice

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Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
	the borough. Risk Owner: Business and Enterprise Manager			Control Owner: Business and Enterprise Manager			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 support long-term Job Seekers Allowance claimants and lone parents into employment Delivery partners do not achieve specified outcome targets Risk Owner: Regeneration Manager (Employment Skills)	M	H	<ul style="list-style-type: none"> Using ABG allocation to commission employment and skills interventions. Delivery partners are regularly (and independently) monitored on performance. Performance and progress reports are received at every Enterprise Board meeting. Improving employer engagement, through initiatives such as the Employer Zone and Local Employment Partnerships to widen the employment opportunities available to Haringey Guarantee residents Agreeing a SLA with JCP that allows JCP advisers to make referrals to the Haringey Guarantee. Control Owner: Regeneration	M	M	<ul style="list-style-type: none"> Evaluating the role of Haringey Guarantee delivery partners where appropriate.

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Ref	Risk Identified	Inherent Risk		Controls	Residual Risk		Further Action
		Impact	L.hood		Impact	L.hood	
				Manager (Employment & Skills)			
Number of people on incapacity related benefits 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 long-term incapacity related benefit claimants into employment <p>Risk Owner: Regeneration Manager (Employment & Skills)</p>	M	H	<ul style="list-style-type: none"> Delivery partners are regularly (and independently) monitored on 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 Improving employer engagement, through initiatives such as the Employer Zone and Local Employment Partnerships to widen the employment opportunities available to Haringey Guarantee residents Agreeing a SLA with JCP that allows JCP advisers to make referrals to the Haringey Guarantee. Agreeing a SLA with Reed in Partnership that will allow 	M	H	<ul style="list-style-type: none"> Evaluating the role of delivery partners where appropriate.

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		Impact	L.hood		Impact	L.hood	
				incapacity related benefit claimants to have access to a more comprehensive package of support. Control Owner: Regeneration Manager (Employment & Skills)			

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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