

DA TE: February 2012				NAME: LEADERSHIP TEAM				WATFORD BC												
STRATEGIC RISK REGISTER: ASSESSMENT MATRIX																				
CORPORATE VISION: To be a successful town in which people are proud to live, work, study and visit																				
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Risk has been assessed in Four Blocks: Major Investment / Service Delivery/ Reputational/ Functional																				
RISK TYPE: ALL STRATEGIC																				
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MAJOR INVESTMENT																				
1	Health Campus	£500M	West Herts Hospital Trust	Failure to obtain trust status	Customer / Citizen Economic/ financial	4	4	16	West Herts Hospital Trust has produced a business case and is awaiting Treasury approval (October 2012)--having cleared the first stage process (Monitor)	4	3	12	The Health Campus will only part achieve its aims without new hospital. Will also have severe effect upon financial viability	Funding of £10m has been allocated by Government for bridge, road, heat and power plant for new hospital.	4	2	8	Q	ongoing	Manny Lewis
	Health Campus		Bridge and Link Road not built	Funding not available	Economic/ Financial Reputational	4	4	16	Central Government has announced £7m of funding available to WHHT. WBC has made a bid for an interest free loan of £3m from Growing Places Fund	4	2	8	Without appropriate funding the project will not be completed in its entirety and a fragmented development will occur	A review of costing for construction of bridge and road is essential (prior to tender) to ensure funding will be sufficient.	4	2	8	Q	ongoing	Manny Lewis
	Health Campus		Land assembly not achieved	Land Holdings held by individuals/Government	Economic/ Financial	4	3	12	Negotiations with land holders being pursued with purchase of EEDA land being achieved. Alternative scheme design to avoid ransom strips	3	3	9	problems with land assembly could result in delays	Health Campus wide CPO likely to ensure no impediment to development.	3	2	6	Q	ongoing	Manny Lewis
	Health Campus		Private Sector Partner not identified	Scheme not considered to be financially viable	Economic/ Financial Reputational	4	4	16	Procurement process well advanced with 4 PSPs working up proposals. Short list of two and final BAFO scheduled for July 2012.	4	3	12	If scheme not financially viable then potential PSP will withdraw.	Continuous review of viability and options to increase profitability should result in a Local Asset Backed Vehicle being achieved.	4	2	8	Q	ongoing	Manny Lewis
2	Croxley Rail Link	£120m	Scheme does not proceed	Community reject project. Bad publicity about consequences for Metro Station/ local traffic congestion..	Reputational	4	3	12	Extensive consultation. Advantages of scheme to be emphasised	4	2	8	Adverse effect upon economy of town & regeneration projects such as Health Campus and Charter Place.	Ensure wider political backing for project is maintained	4	1	4	Q	ongoing	Manny Lewis
	Croxley Rail Link		Scheme exceeds available budget.	Specification too high; adverse ground conditions; CPO compensation too high; lack of interest from tenderers leads to high contract sum	Economic/ Financial/ Reputational	4	4	16	Detailed costings in place. CPO assessment realistic. Current construction market has low profit margins.	4	3	12	A significant overspend occurs; specification is cut back producing a sub standard product.	Need to obtain a fixed price procurement and to keep a tight control on specification and variation orders..	4	2	8	Q	ongoing	Manny Lewis
	Croxley Rail Link		Transport and Works Act Order will not be approved	Herts County Council & London Underground will not complete necessary work	Economic/ Financial/ Reputational	4	3	12	Outline Planning/ Land transfers and CPO processes being progressed . Statutory Orders published (Dec 2011)	4	2	8	Public Enquiry will follow (Summer 2012) & confirmation Winter 2012	Carry out Procurement (Winter 2013); obtain full approval from DFT (Winter 2013). Start on site Summer 2014	4	2	8	Q	ongoing	Jane Custan ce
	3	Charter Place Redevelopment	Phase 1 only £60m	Preferred developer withdraws from Phase 1	Lack of economic viability,	Economic/ Financial Reputational	4	3	12	Continuous dialogue with developer / existing tenants / CSC (for car park). Review of viability of Scheme ongoing.	4	3	12	The Development Agreement will not be agreed/ signed.	Council may need to be flexible regarding its short and long term financial return.	3	3	9	M	ongoing
	Charter Place Redevelopment		The current facilities do not get re-modelled/ refurbished (status quo is not an option)	Lack of finance/ economic viability	Economic/ financial/ Reputational	4	3	12	Development does not get wider retail support and pre lets are not forthcoming	4	2	8	Negotiations between preferred developer and wider retail market are not successful	Scheme needs to be realistic about what is achievable/ financially viable	4	2	8	M	ongoing	Manny Lewis
	Charter Place Redevelopment		Planning & CPO approvals not obtained	Scheme does not comply with LDF. CPO Enquiry not successful	Reputational	3	3	9	Detailed discussions with WBC/ HCC planners/ transportation should resolve any issues. Case for CPOs needs to be strong.	3	2	6	The scheme in current form would not proceed if obstacles cannot be removed	compromise on planning may be required. Strategy to overcome CPO objections needs to be developed.	3	2	6	M	ongoing	Jane Custan ce
	Charter Place Redevelopment		Council required to Part Fund Scheme	Lack of economic viability	Economic/ Financial	4	3	12	Limited ability for Council to allocate funding	4	3	12	Scheme will not proceed in current form	Preferred Developer needs to reconsider viability	4	2	8	M	immediat e	Bernar d Clarke
	Charter Place Redevelopment	£2.5m Rent Income	Commercial Rent Income is affected during and after development	Current tenants need to be displaced with short term rent loss. Future tenants may not be identified or require initial rent free periods.	Economical/ Financial	4	4	16	Memorandum of Understandig/ Development Agreement seek to guarantee developer will underwrite the £2.5m of rental income	4	3	12	If MOU/ DA are varied downwards then the risk of loss of income remains	Negotiations ongoing. Phase 1 seeking to exclude approx £1m of current rental income to minimise potential impact.	3	3	9	M	immediat e	Alistair Burg

MAJOR INVESTMENT

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	Charter Place Redevelopment	Phase 2 Unknown at this stage	Preferred Developer has not finalised proposals at this stage	Uncertain national economic environment combined with current viability of project	Economic / Financial	3	4	12	Phase 2 currently on hold whilst Phase 1 Development Agreement to be signed	3	4	12	Aspirations for a cinema and restaurant quarter may not be realised	Need to consider whether any other alternative development available	3	4	12	Q	ongoing	Manny Lewis
4	Cultural Quarter Phase 1	£4.5m	Funding is re-directed to other projects	Limited amount of Council funding. Competing strategic demands	Economic/ Financial Reputational	3	3	9	Council has sufficient funding to complete Phase 1 providing it is not re-directed	3	2	6	Scheme may need to be modified to meet funding available.	Final shape of project needs to be agreed and costed.	3	2	6	Q	Ongoing	Cate Hall
	Cultural Quarter Phase 1		Community may reject all or part of scheme	Satisfaction with current 'offer'. Reluctance to spend Council Money. Alternative projects may get more support.	Reputational	4	3	12	Consultation needs to be effective and 'visionary'	4	2	8	Scheme may not deliver original aspirations	Need to ensure wider political buy in	4	2	8	Q	ongoing	Cate Hall
5	Cassiobury Park Heritage Lottery Bid	£5m	HLF Funding may not be forthcoming	Competing local authorities bids may dilute nationally available funding.	Financial/ reputational	3	4	12	Business case need to emphasise the funding WBC is setting aside and the number of Cassiobury users who will benefit.	3	3	9	Cassiobury Park facilities will become tired, dated and not fit for purpose	Community support needs to be increased. Advantages of scheme need to be emphasised to HLF	3	2	6	Q	ongoing	Lesley Palumbo
	Cassiobury Park Heritage Lottery Bid		Operating costs at Park may increase	Additional maintenance requirement	Financial	3	4	12	Improved income generation from all activities associated with Park need to be programmed	3	3	9	If Park operating costs increase then other service areas of Council will need to cut back	Scheme needs to be designed in order to reduce maintenance liability/ supervision	3	2	6	Q	ongoing	Paul Rabbits

SERVICE DELIVERY

6	Service Prioritisation Achieved	£3m of efficiencies required	total savings package not delivered	individual projects for delivering savings are cancelled. Some projects are unrealistic and cannot be achieved.	Economic/ Financial Reputational	4	3	12	A detailed monitoring process has been put in place. CMB/ Leadership/ Portfolio Holders seek to ensure limited non achievement	4	2	8	Failure to deliver efficiencies will result in alternative savings having to be achieved in order to balance the budget.	A Programme Board (MD, and Executive Directors) meet monthly to review all projects and limit scale of non achievement.	4	2	8	Q	ongoing	Leadership Team
7	Council Road Map Finalised	£2m of efficiencies required	savings may not be fully achieved.	Targets are unrealistic. Political pressure to change course. Potential commercial savings may not be achieved	Economic / Financial/ Reputational	4	4	16	Detailed project plans/ Business cases are being developed with external specialist help.	4	3	12	Alternative savings will need to be identified	A vigorous review of all support/ management costs needs to identify excess costs.	4	2	8	Q	ongoing	Leadership Team
8	Service Improvement Continues	£160m turnover	services deteriorate. Homelessness increases. The Town looks tired, dirty & neglected.	service efficiencies / staff rationalisation affect service standards. Budget reductions reduce allocation of resources.	Economic/ Financial Reputational	4	3	12	Performance Indicators/ officer mgement teams/ Leadership/ quarterly reviews/ scrutiny process/ community surveys all in place to monitor performance	4	2	8	a deterioration in service standards will affect the council's vision and objectives.Complaints from the community will increase.	Targetted improvement/ resourcing to some services may be necessary eg Benefits Service/ Homelessness.	4	2	8	Q	ongoing	Leadership Team
9	Partnerships/voluntary sector remain vibrant and effective to meet community need.	£2m plus loss of government specific funding	Disadvantaged/ hard to reach groups will not be supported.	Funding is being progressively reduced both by way of government grant funding and the council's service efficiency programme .	customer/ citizen legislative/ legal reputational / equalities	4	3	12	The council has a three year assessment process which identifies those voluntary sector organisations delivering best value and meeting community needs..	4	2	8	the most disadvantaged/ elderly in society might suffer economic hardship and a sense of isolation	A resilience officer has been appointed to facilitate a progressive reduction in funding and needs to monitor and report back on a regular basis.	4	2	8	Q	ongoing	Lesley Palumbo
10	Homelessness Increases placing pressures upon temporary accommodation & bed and breakfast	potentially circa £300k	homeless / vulnerable families and individuals have no accommodation or unsuitable accommodation creating health, wellbeing and safety issues	The negative impact of the downturn in the economy combined with policy changes regarding statutory homelessness	customer/ citizen legislative/ reputational/ equalities/ financial	4	4	16	Increase supply of temporary accommodation through funding within capital programme for property conversions. Secure contracts with RSLs/ private landlords for additional accommodation.	4	3	12	temporary reduction in homeless families & individuals but underlying trend is still increasing	Staffing restructure places greater emphasis upon a demand management model & should result in further contracts for supply of housing. Pump priming of further conversions with RSLs	4	2	8	M	ongoing	Lesley Palumbo
11	Ensure Housing Benefit Service is fit for purpose	£75m turnover per annum	Backlogs result in delays in making payments to client base. Quality controls on payments are insufficient and benefit grant subsidy from DWP is lost.	Use of technology is not maximised. Benefits assessors spend time dealing with routine client enquiries. Incomplete information provided by benefits clients/ recipients.	Financial / reputational/ customer/ citizen	4	4	12	Monitoring of workload being constantly reviewed. Quiet periods (no telephone calls) for skilled benefits assessors to clear backlogs. External resource engaged to process routine change of circumstances.	4	3	12	Backlogs are not fully cleared (partly due to increased volumes of applicants--due to economic recession). A danger that conveyor belt mentality will affect quality control processes.	The Customer Service Centre is screening initial applicants in order to ensure all paperwork has been provided and to relieve pressure on benefits assessors	4	2	8	M	ongoing	Phil Adlard

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12	Shared Services Expanded/ Market Testing of services occur	£16m of potential future activities	No further changes occur. Watford provides its services without taking any advantages for economies of scale and fails to achieve further efficiency savings.	political and organisational resistance	customer/ citizen economic/ financial	3	3	9	The Shared Services Management Board/ Watford Council continuously explore opportunities for more effective service delivery.	3	2	6	Failure to identify further opportunities to deliver more effective services will result in no further efficiency savings.	The Council Roadmap initiative is programmed to test the market for circa £8m of service/ support activity.	3	2	6	Q	ongoing	Leadership Team
REPUTATIONAL																				
13	Continue to Progress Equalities within the Council and across all service delivery	Not Quantifiable	Service efficiencies result in the pursuit of equalities being down graded.	staff rationalisation results in equalities being given a lower priority both within the Council and in the provision of services to all the community.	Customer / Citizen Legislative/Legal Reputational	4	2	8	Equalities champions at Executive Director/ Cabinet level are in place.Quarterly reviews are held. Legislative changes to equalities are being monitored.	4	2	8	The Council will not be seen to support individuals and the community. It will not be recognised as a fair/ good employer.	Leadership Team need to review equalities regularly.. Statistics relating to usage of facilities and complaints processes need to be closely monitored.	3	2	6	Q	Leadership Team Review June 2011	Cate Hall
14	Failure to adequately support the London 2012 Olympics/ Paralympics	Not Quantifiable	International reputation of UK will suffer. Could result in serious security issues.	Emergency Resonse Plan is deficient. Staff all take leave during Olympic/ paralympic period and results in a lack of volunteer/ support resource to assist visitors	Customer/ Citizen Reputational	4	3	12	Monitoring of Leave put in place. Strategic Risk Management Group / Leadership Team reviewing arrangements.	4	3	12	Council will not have a firm programme detailing how visitors/ security will be dealt with	Emergency/ BCP exercise needs to be tested prior to commencement of Games	4	2	8	M	prior to 27th July 2012.	Bernard Clarke
15	Hot issues are minimised/have urgent response	Not Quantifiable	Local sensitive issues are not anticipated	Poor customer service/ ill judged policy actions	Customer / Citizen Reputational	3	3	9	service management teams/ Leadership/ quarterly reviews/ Portfolio Holders all in place to anticipate/ avoid adverse issues arising.	3	2	6	Ill judged actions can affect the community and could lead to customer disadvantage/reputational damage. Also lead to financial and legal consequences.	Regular Leadership team meetings include an Agenda Item "hot issues". Portfolio Holders review monthly all sensitive issues	3	2	6	M	ongoing	Leadership Team
FUNCTIONAL																				
16	Rationalisation of staffing is seamless	Not Quantifiable	The service prioritisation programme will result in staff rationalisation. Any consequent gaps need to be identified so that service delivery/ statutory requirements are not affected.	service efficiency programme will result in reduced staffing levels	Customer / Citizen Legislative/Legal Reputational	3	3	9	Rationalisation commenced in Spring 2011. No deficiencies have been identified to date..	3	3	9	Lack of staff resource / management capability will result in potential breakdown in service delivery.	Phase 2 of staff rationalisation to commence in Spring 2012 and Leadership Team need to closely monitor.	3	2	6	Q	Jul-12	Leadership Team
17	ICT platform fit for purpose	Not Quantifiable	Unreliability of system affects corporate efficiency and results in considerable staff downtime and failure to deliver full service to the public.	configuration of servers/ SAN not efficient	Customer / Citizen Economic/ Financial Reputational	4	3	12	External assistance has been engaged. Server replacement/ SAN programme well advanced.	4	3	12	Service delivery and staff efficiency badly affected	Current proposals to change platform structure needs to be completed urgently.	4	2	8	M	Jun-12	Avni Patel
18	Ensure the Control Environment across the authority reflects the changing nature of fraudulent activity	Not Quantifiable	Increasing sophistication of fraud, particularly cyber fraud could result in significant financial losses	moral standards in society falling. Financial hardship encouraging innovative ways to obtain money.	Financial / reputational/	4	3	12	Regular fraud up dates distributed to all staff. E learning module on intranet	4	3	12	Risks of fraudulent access to council's accounts still remain	Annual Audit Plan includes resources to test the council's resilience against cyber crime	4	2	8	Q	ongoing	Alan Power
19	Review Corporate/ Service Plans	Not Quantifiable	Corporate and Service Plans become stale and fail to engage with staff.	Other competing priorities has meant the CP/ SP process has been treading water.	Customer / Citizen Reputational	3	3	9	service management teams/ quarterly reviews/Leadership Team need to give this a higher priority.	3	3	9	The Vision , values & key objectives are not recognised by all staff.	Learning and Development initiatives to encourage awareness. Staff survey carried out. Appraisals in place	3	2	6	Q	Sep-12	Kathryn Robson
20	Assess impact of major changes to funding by Government through Business rates Retention and Local Council Tax Benefits schemes	Not Quantifiable	WBC may lose a significant amount of financial support from Central Governmnt	Complete overhaul of the way local authorities are funded combined with the need to reduce public expenditure	Financial/ Reputational/ Citizen/ customer	4	4	16	5 Year projections of business rate base to take place. Local council tax benefit scheme to be drawn up	3	3	9	Unless the new systems are understood there is a danger that the Council will fail to plan for their consequences	Discussions with County Council and other herts districts to potentially reduce our risk exposure.	3	2	6	Q	Jul-12	Bernard Clarke

GUIDANCE ON COMPLETING THE RISK ASSESSMENT MATRIX

DATE: <i>when evaluation completed</i>		NAME: <i>of person completing assessment; may vary from risk</i>		POST: <i>of person completing assessment</i>			DEPT/ UNIT: <i>Risk</i>						
RISK ASSESSMENT MATRIX v 1.6													
RISK ASSESSMENT NUMBER: <i>consecutively from 1 (the 1st assessment) this allows for accurate version control and provides an audit trail of treatment/controls etc</i>													
BUSINESS OBJECTIVE: <i>External Relations: Please state your departmental objective here - as risks to achieving this objective should be considered</i>													
RISK TYPE: <i>STRATEGIC, OPERATIONAL or BOTH (delete as necessary) strategic type would affect the 3-5 year planning process, operational type would affect day-to-day activities & both is an operational risk with a strategic impact</i>													
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<i>sequential numbering of risks - see appendix 2. If risk is no longer relevant number must NOT be reused.</i>	<i>A risk is the threat that an event or action will affect the Council's ability to achieve its objectives and to successfully execute strategies. To help identify risks one can think of political, environmental, social technological, economical and legal threats. In addition to this please consider the risks that can occur which may prevent your area from achieving objectives as set in the Corporate/Community Plan; impact on Use of Resources and also CPA/CAA etc</i>	<i>these are the events, circumstances and/or situations that give rise to the risk being created</i>	<i>see Appendix 1 - Categories, you can include 1 or more categories depending on the risk</i>	<i>scored on a scale of 1 - 4; 1 being the lowest and 4 the highest; before controls in place</i>	<i>automatically calculated and formatted</i>	<i>these are controls currently in place which have currently reduced the likelihood of the risk materialising; these are usually in the form of internal controls systems, policies and procedures, regular meetings etc</i>	<i>scored on a scale of 1 - 4; with controls in place</i>	<i>automatically calculated and formatted</i>	<i>this is the result of the risk if and when it occurs and can include loss of business, negative/bad reputation, breakdown or partnership working, financial loss (please state financial loss in monetary terms where possible)</i>	<i>further controls are needed where a residual risk rating is shown as amber or red i.e. medium or high. These risks will be shown on the treatment plan.</i>	<i>this will depend on the risk rating, how effective controls are, cost implications of controls etc</i>	<i>this should be a realistic date when the next review of the risk including adequacy if the controls should be completed, this must be matched to the review frequency</i>	<i>the person responsible for implementing and reviewing control measures</i>

Note

Severity can be viewed in four categories/ matched to scores

- | | | |
|----|-------------|--|
| 1. | Minor | Any annoyance that does not disrupt service provision or has only a localised impact contained within the council/service affected. No media or public knowledge of incident |
| 2. | Significant | Short -term partial failure, no media interest, limited financial losses or disruption to service provision. |
| 3. | Serious | Short-term total service failure or prolonged partial failure, possible local media interest, possible financial losses or injuries |
| 4. | Major | Total service failure, high financial losses, possible national media criticism, local media interest or possible fatalities/severe injuries |

Likelihood can be viewed in four categories/matched to scores:

- | | | |
|----|-------------|--------------------------------------|
| 1. | Remote | Little or no likelihood of occurring |
| 2. | Unlikely | Some likelihood of occurring |
| 3. | Likely | Significant likelihood of occurring |
| 4. | Very likely | Near certainty of occurring |