

Appendix 2

List of amendments to document

Name	Risks amended	Date
Chrissie Cassidy-Wilms	Risks deleted: Charter Place risks iv, v and vi; Service Prioritisation; Partnerships/Voluntary Sector; Olympics; rationalisation of staff.	16.09.13
Carol Chen	Amended Health Campus risks and deleted risk iv and changed name of risk owner, deleted risk v and vi. Amended risk vi and risk vii. Risk viii control management updated. Added control measure and further control columns: Risk 17 Lead changed from Avni to Lesley but further updates to be done by Emma Tiernan	20.09.13
Lesley Palumbo	Updates to Risk 5 HLF	10.10.13
Paul Rabbitts	Updates to Risk 5 HLF	10.10.13
Rachel Dawson	10 on Homelessnes - increased residual risks and updated comments relating to steps	25.10.13
Carol Chen	Amended owners	18.11.13
Alan Gough	10 on Homelessnes - increased residual risks and updated comments relating to steps	11.12.13
Carol Chen	Added New market as risk following request at leadership team	16.12.13

DATE		NAME: LEADERSHIP TEAM		WATFORD BC														
CORPORATE RISK REGISTER: ASSESSMENT MATRIX																		
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The strategic risk register seeks to ensure the achievement of the council's seven main																		
Risk has been assessed in Four Blocks: Major Investment / Service Delivery/ Reputational/ Functional																		
RISK TYPE: ALL STRATEGIC																		
CODE	OBJECTIVE	Value of investment £	RISK	CAUSES	ASSESSMENT OF RISK (no controls in place for first assessment and controls in place thereafter)			ASSESSMENT OF RISK (With controls in place – Residual Risk Rating)			CONSEQUENCES	FURTHER CONTROLS REQUIRED	SEVERITY	LIKELIHOOD	MITIGATED RISK RATING	REVIEW FREQUENCY (A, Q, M)	DATE OF NEXT REVIEW	OWNER
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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 is working on it's clinical strategic plan, this is part of the necessary approval process.	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	Martin Jones
	Health Campus		Bridge and Link Road not built	Funding not available	Economic/ Financial Reputational	4	4	16	Central Government has provided £7m of funding to WHHT for the road. WBC has made a successful 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	Martin Jones
	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 agreed by Cabinet in July 2013 to ensure no impediment to development.	3	2	6	Q	ongoing	Martin Jones
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 Transport and Works Act Order approved by Government	4	1	4	Q	ongoing	Jane Custance
	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	Jane Custance
3	Charter Place Redevelopment		The current temporary lease expires without Charter Place being redeveloped	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	Jane Custance
	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 would not proceed if obstacles cannot be removed	Planning application submitted. Strategy to overcome CPO objections needs to be developed.	3	2	6	M	ongoing	Jane Custance
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	Alan Gough

<b>DATE</b>	<b>Sep-13</b>	<b>NAME: LEADERSHIP TEAM</b>	<b>WATFORD BC</b>
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	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	Alan Gough
5	Cassiobury Park Heritage Lottery Bid	£6.5m	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	Stage 1 successful. Consultants and key project team appointed and proceeding to Stage 2 . Consultation ongoing and report to Cabinet in Nov 2013 . Submission in Feb 2014	3	2	6	Q	ongoing	Paul Rabbitts
	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, or income opportunities further investigated	Scheme needs to be designed in order to reduce maintenance liability/ supervision and income opportunities further identified.	3	2	6	Q	ongoing	Paul Rabbitts
6	New Market	£2.5m	Might not be finished on time and to budget	Delays in procurement and delivery, unexpected obstacles on site when works commence, inclement weather causing delays	Political/Reputational/ Financial	3	4	12	Using LLP to deliver the scheme, Project team actively managing project. Planning permission granted.	3	3	9	Design team in place, procurement for builder underway. Market management company in place assisting with design. Funds allocated in capital programme	Need to maintain regular communication between project team and traders.	3	2	6	M	ongoing	Jane Custance

**SERVICE DELIVERY**

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 management 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	Contract Management of Outsourced Services		Issues with service providers, service deteriorates, contractors seek additional costs so full savings not achieved	Lack of contract management experience in in-house staff, lack of proper scoping of contract	Economic/Financial/ Reputational	4	3	12	Clear understanding of contract, regular meetings with contractors to monitor performance and preempt issues. Governance arrangements in place appropriate to individual contracts. Regular monitoring and reporting systems in place.	4	2	8	Service will be seen to be deteriorating. Increased complaints from residents and members. Potential financial and legal risks	Training for staff on contract management. Development of Centre of Excellence approach to contract management through corporate Contract Management Forum being set up Nov 2013	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 impact upon statutory homelessness	customer/ citizen legislative/ reputational/ equalities/ financial	4	4	16	Plans for securing additional temporary accommodation are under review. Revenue related project discussions continuing.	4	4	16	Increasing numbers anticipated in Bed and Breakfast or equivalent accommodation. Pressure on staffing and welfare of clients. Statutory 6 week timeframe for families	Review of resourcing in Housing on-going and clarity on direction regarding increasing supply will be part of Housing Strategy	4	3	12	M	ongoing	Alan Gough

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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	16	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	Robert Della- Sala
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
<b>REPUTATIONAL</b>																				
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 Head of Service/ 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. (HR report received Sept 2013) Statistics relating to usage of facilities and complaints processes need to be closely monitored. Corporate Equalities group to be relaunched Nov/Dec 2013	3	2	6	Q	ongoing	Lesley Palumbo
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
	PSN - Public Services Accreditation is not achieved	Not Quantifiable	Residents do not receive correct Housing benefit payments.	Revenues and Benefits services are unable to send and receive data from departments such as DWP.	Financial / reputational/ customer/ citizen	4	3	12	Project initiated to complete all requirements to meet PSN accreditation. Includes Capita ICT technical support and CESG CLAS consultant engaged.	4	2	8	Accreditation has been met for 2013. This may result in other temporary disadvantages for the Council e.g. remote access is disabled.	Long term and annual PSN project to be in place.	4	1	4	Q	Ongoing	Lesley Palumbo
<b>FUNCTIONAL</b>																				
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.	Outdated hardware, systems and platforms.	Customer / Citizen Economic/ Financial Reputational	4	3	12	Internal ICT service has been outsourced to Capita ICT.	4	2	8	Service delivery and staff efficiency badly affected	Roadmap for platform improvement needs to be finalised, budgets approved and works initiated	4	2	8	M	Ongoing	Lesley Palumbo
18	Ensure the Control Environment across the authority reflects the changing nature of	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	on going	Kathryn Robson
20	Assess impact of major changes to funding by Government through Business rates Retention	Not Quantifiable	WBC may lose a significant amount of financial support from Central Governemnt	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 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	on going	Alan Power

## The Categories of Risks Facing Watford Borough Council

Hazards and risks need to be taken into account in judgments about the medium to long-term goals and objectives of the organisation, as well as the day-to-day operations of the Council. These may be as follows: -

Category	Definition
Political:	those associated with failure to deliver either central Government policy or meet the administration's manifesto commitments
Economic/Financial:	those affecting our ability to meet financial commitments. For example, internal budgetary pressures, the failure to purchase adequate insurance cover, external economic changes or the consequences of proposed investment decisions. Monitoring of financial planning and control and internal funds.
Social:	those related to the effects of changes in demographic, residential or socio-economic trends on the organisation's ability to deliver its objectives.
Technological:	those associated with the capacity of the organisation to deal with the pace / scale of technological change or its ability to use technology to address changing demands. They may also include the consequences of internal technological failures affecting the organisation's ability to deliver its objectives. (e.g. IT systems, equipment or machinery).
Legislative/Legal:	those associated with current or potential changes in national or European Law (e.g., the appliance or non-appliance of TUPE Regulations, Human Rights Act, Data Protection Act, Disability Discrimination Act, etc.). Risk related to possible breaches of legislation.

Category	Definition
Environmental:	those related to the environmental consequences of progressing the organisation's strategic objectives (e.g., in terms of energy efficiency, pollution, recycling, landfill requirements, emissions, etc.). Those related to pollution, noise or energy efficiency of ongoing service operations.
Reputational:	those related to the organisation's reputation and the public perception of the organisation's efficiency and effectiveness.
Competitive:	those affecting the competitiveness of the service (in terms of cost or quality) and / or its ability to deliver Value for Money.
Customer/Citizen:	those associated with failure to meet the current and changing needs and expectations of our customers and citizens.
Professional:	those associated with the particular nature of each profession
Physical:	those related to fire, security, accident prevention and health and safety (e.g., hazards / risks associated with buildings, vehicles, plant and equipment, etc.)
Contractual:	those associated with the failure of contractors to deliver services or products to the agreed cost and specification.

**GUIDANCE ON COMPLETING THE RISK ASSESSMENT MATRIX**

<b>DATE:</b> <i>when evaluation completed</i>	<b>NAME:</b> <i>of person completing assessment; may vary from risk</i>	<b>POST:</b> <i>of person completing assessment</i>	<b>DEPT/ UNIT:</b> <i>Risk</i>
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**RISK ASSESSMENT MATRIX v 1.6**

**RISK ASSESSMENT NUMBER:** *consecutively from 1 (the 1st assessment) this allows for accurate version control and provides an audit trail of treatment/controls etc*

**BUSINESS OBJECTIVE:** *External Relations: Please state your departmental objective here - as risks to achieving this objective should be considered*

**RISK TYPE:** *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*

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sequential numbering of risks - see appendix 2. If risk is no longer relevant number must <b>NOT</b> be reused.	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	these are the events, circumstances and/or situations that give rise to the risk being created	see Appendix 1 - Categories, you can include 1 or more categories depending on the risk	scored on a scale of 1 - 4; 1 being the lowest and 4 the highest; <b>before controls</b> in place	automatically calculated and formatted	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	scored on a scale of 1 - 4; <b>with controls</b> in place	automatically calculated and formatted		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)	further controls are needed where a residual risk rating is shown as amber or red i.e. medium or high. <b>These risks will be shown on the treatment plan.</b>	this will depend on the risk rating, how effective controls are, cost implications of controls etc	this should be a <b>realistic</b> date when the next review of the risk including adequacy if the controls should be completed, this must be matched to the review frequency	the person responsible for implementing and reviewing control measures

**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