

Analysis of Draft Corporate Risks by Category

Internal

Category	Number	Descriptions	Risk Score
Budget	1	Failure to deliver within budgets (<i>BU1</i>)	12
Governance	7	Failure to remodel the Council (<i>GO1</i>)	8
		Reluctance to embrace wholesale change (<i>GO2</i>)	9
		Internal policies & procedures delay change (<i>GO3</i>)	6
		Potential changes to government policy not identified early enough (<i>GO4</i>)	6
		Focus on economic growth not maintained (<i>GO5</i>)	8
		Failure to punch above our weight (<i>GO6</i>)	4
		Use of untried / untested models (<i>GO7</i>)	12
Organisational Development	5	Scale and pace of change exceeds organisational capacity (<i>OD1</i>)	12
		Multiple simultaneous demands on key teams (<i>OD2</i>)	12
		Effective leadership is not embedded (<i>OD3</i>)	8
		Skills within the Council are insufficient (<i>OD4</i>)	8
		New attitudes and behaviours not embedded quickly enough (<i>OD5</i>)	9
IT and Data	2	New IT systems/hardware not implemented in time (<i>IT1</i>)	16
		Quality and availability of data & intelligence (<i>IT2</i>)	9
Partnerships	3	Poor perception of the Council deters others from working with us (<i>PA1</i>)	3
		Lack of resilience in key partnerships (<i>PA2</i>)	9
		The ambitions and priorities of the Council and its partners are not aligned (<i>PA3</i>)	9
Total number	18		

External

Category	Number	Descriptions	Score
Economic	4	Low economic growth (<i>EC1</i>)	16
		Welfare Reforms (<i>EC2</i>)	16
		Inability to provide match funding (<i>EC3</i>)	9
		Failure to grasp the opportunities presented by membership of the LCR (<i>EC4</i>)	8
Demographic	3	Increasing demand for socially provided care (<i>DE1</i>)	16
		Poor lifestyle choices adversely affect public health (<i>DE2</i>)	12
		Failure to equip the community to be more self-reliant (<i>DE3</i>)	9
Technological	1	Technological advance leads to digital exclusion (<i>TE1</i>)	12
Environmental	2	Failure to maintain/protect the environment (<i>EN1</i>)	12
		Growing incidence of extreme weather events (<i>EN2</i>)	12
Policy	2	Growth of academies / free schools (<i>PO1</i>)	9
		Uncertainty over funding post 2015 (<i>PO2</i>)	20
Total number	12		

Draft Corporate Risks Plotted on Corporate Scoring Model

		Impact				
		Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Likelihood	Very High (5)	5	10	15	20	25
	High (4)	4	8	12	16 IT1, EC1, EC2, DE1,	20 PO2
	Medium (3)	3 PA1	6 GO3	9 GO2, OD5, IT2, PA2, PA3, EC3, DE3, PO1	12 BU1, GO7, OD1, OD2, DE2, TE1, EN1, EN2	15
	Low (2)	2	4 G06	6 GO4	8 GO1, G05, OD3, OD4, EC4	10
	Very Low (1)	1	2	3	4	5

Draft Corporate Risks 2013-14
Internal

Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	

Budget

Failure to deliver within immediate and long term budgets (BU1)	Strategic Director Transformation & Resources	Political impact Damage to reputation Potential government intervention Storing up greater problems for the future Drain on reserves Fiduciary duty not met (S114)	<ul style="list-style-type: none"> • Corporate Plan reflects financial challenge (Priority 3) • Efficiency and Transformational Change Projects specified (Priority 4) • Enhanced monitoring and reporting arrangements • Improved cash flow 	4	3	12	<ul style="list-style-type: none"> • Revised commissioning strategy (Priority 4)
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Governance

Failure to remodel the Council to meet its future challenges (GO1)	Chief Executive	Services might not be delivered to required standards. Needs could go unmet External challenge and scrutiny might continue Potential government intervention Damage to reputation	<ul style="list-style-type: none"> • Wirral's vision set out in Corporate Plan (Priority 1) • CESG focus on coherent new model • Efficiency and Transformational Change Projects specified (Priority 4) 	4	2	8	<ul style="list-style-type: none"> • Review / improve contract management procedures (Priority 2) • Review corporate enabling strategies (Priority 1) • Embed new People and IT strategies • Deliver Transformational Change projects
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Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	
Reluctance to embrace wholesale change and take difficult decisions (self-imposed boundaries) (GO2)	Chief Executive	Services could not be delivered to required standards. Needs could go unmet Council does not improve - reputation	<ul style="list-style-type: none"> • Cohesive CESG • Closer working with Cabinet • Members briefing and decision-making process (Priority 1) • Member development programme 	3	3	9	<ul style="list-style-type: none"> • Embed the new Constitution • Roll out the Scheme of Delegation • Embed new portfolio structure • Review / improve risk management arrangements (Priority 2)
Internal policies and procedures delay change (GO3)	Chief Executive	Possible slippage in key projects (financial impact) Impact on partners and suppliers (e.g. procurement) Agility could be restricted	<ul style="list-style-type: none"> • Members briefing and decision-making process (Priority 1) • Updated Scheme of Delegation / Member Officer protocol (Priority 2) 	2	3	6	<ul style="list-style-type: none"> • Review Code of Corporate Governance and its supporting policies (Priority 2) • Review / improve procurement processes and procedures (Priority 2) • Embed the new Constitution • Monitor compliance with revised financial regulations and new Contract Procedure rules

Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	
We do not identify potential changes to government policy and legislation early enough to influence and respond (GO4)	Head of Policy & Performance / Director of Public Health	Opportunities could be missed. Council might be slow to react (e.g. IER)	<ul style="list-style-type: none"> Policy Unit established 	3	2	6	<ul style="list-style-type: none"> Establish a coherent and joined up approach to policy (Priority 2) Enhance business intelligence function (Priority 2) Increased visibility of political and executive leaders with national govt.
The Council does not maintain its focus on economic growth (GO5)	Strategic Director Regen. & Environment	Multiple negative impacts on the community	<ul style="list-style-type: none"> Investment Strategy Investment Strategy Board Priority within Corporate Plan 	4	2	8	<ul style="list-style-type: none"> ERDF business growth programme Regional Growth Fund projects Policy & Performance committee—scrutiny function Capitalise on the potential of the 'Open'
A failure to punch above our weight limits our ambition and our ability to capitalise on opportunities. (GO6)	Chief Executive	Opportunities (government and private sector) might be missed.	<ul style="list-style-type: none"> Chief Executive and senior members / officers engage outside Wirral with national decision-makers 	2	2	4	

Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	
Use of untried / untested models (mutuals, social enterprises, shared services) (G07)	Strategic Director Transformation & Resources	Possible service failures Needs could go unmet Damage to reputation Increased costs	<ul style="list-style-type: none"> Transformational Change projects based on robust business cases 	4	3	12	<ul style="list-style-type: none"> Revised commissioning strategy (Priority 4)

Organisational Development

The scale and pace of change required could exceed our organisational capacity (e.g. critical projects) (OD1)	Strategic Director Transformation & Resources	Failure to remodel the organisation Behavioural change might be difficult to achieve Damage to reputation Political impact	<ul style="list-style-type: none"> Senior management team in place, structure published (Priority 1) Review of Change Programme Scope and Governance completed (Priority 4) Focus of Change Team 	4	3	12	<ul style="list-style-type: none"> Complete the restructure (Priority 1)
Multiple simultaneous demands on key teams (HR, Legal, Finance etc.) exceed the available capacity (OD2)	Strategic Director Transformation & Resources	Possible delay to Transformational Change and other critical projects Negative impact on business as usual activity		4	3	12	<ul style="list-style-type: none"> Map requirement of enabling strands against principles

Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	
Effective leadership is not embedded throughout the organisation (OD3)	Head of Human Resources & OD	Failure to achieve our ambitions Lack of ownership Silo mentality could develop	<ul style="list-style-type: none"> • Senior management team in place, structure published (Priority 1) • Good practice being cascaded 	4	2	8	<ul style="list-style-type: none"> • Design / implement a leadership programme (Priority 1) • Roll out of Comms. Strategy • Leadership expectation requirements • Roll out of Performance Appraisal
Skills within the Council are insufficient to support our future operating model (OD4)	Head of Human Resources & OD	Possible service failures Benefits from re-modelling might not be realised	<ul style="list-style-type: none"> • Redeployment training support in place 	4	2	8	<ul style="list-style-type: none"> • Revised performance appraisal process (Priority 3)
New attitudes and behaviours are not embedded quickly enough (OD5)	Head of Human Resources & OD	Change needed might not be delivered. Benefits of governance improvements might not be realised	<ul style="list-style-type: none"> • Link of values to behaviours in Performance Appraisal 	3	3	9	<ul style="list-style-type: none"> • Design / implement a cultural change programme (Priority 1) • Review and update of HR policies (Priority 3)

Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	
IT and Data							
New IT systems/hardware are not implemented in time to support the new Council model (IT1)	Director of Resources	Benefits of the new operating model might not be realised. Costs could increase Possible service failures Unreliable data	<ul style="list-style-type: none"> • Project Control and monitoring meetings for all projects established • Infrastructure refresh and Agile systems Programme set up. • Business Relationship Management in new IT structure advises Departments on new projects and is informed of departmental priorities. 	4	4	16	<ul style="list-style-type: none"> • Review corporate enabling strategies (IT) (Priority 1) • Refresh of hardware. • Procure standby generator • Work on Shared Service possibilities • Evaluate options for replacing SWIFT. • Renew Wide Area Network. • Evaluate options to replace existing data centre • Establish IT Governance with IT Strategy Board
Quality and availability of data and intelligence are insufficient to enable us to design services & target effective interventions (IT2)	Head of Policy & Performance / Director of Public Health	Financial inefficiency Needs could go unmet Negative impact on the quality of commissioning		3	3	9	<ul style="list-style-type: none"> • Enhance business intelligence function (Priority 2)

Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	
Partnerships							
A poor perception of the Council could deter others from working with us or cause us to be excluded from opportunities. (PA1)	Head of Neighbourhoods & Engagement	Potential difficulty in securing Private sector investment and Government support on new initiatives	<ul style="list-style-type: none"> • Communications and Marketing strategy • Local Public Sector Board established 	1	3	3	<ul style="list-style-type: none"> • Capitalise on the potential of the 'Open' • Develop the Local Public Sector Board
Lack of resilience in key partnerships (PA2)	Head of Policy & Performance / Director of Public Health	Potential service failures Needs could go unmet Increased demands on the Council because others cannot help	<ul style="list-style-type: none"> • Health & Wellbeing Board established 	3	3	9	<ul style="list-style-type: none"> • Develop the Health & Wellbeing Board
The ambitions and priorities of the Council and its partners are not aligned (PA3)	Head of Policy & Performance / Director of Public Health	Potential gaps in service provision Possible duplication / inefficient use of effort / resources Cost 'shunting'	<ul style="list-style-type: none"> • Local Public Sector Board established • Health & Wellbeing Board established • (Engage with local and sub regional partners (Priority 2)) 	3	3	9	<ul style="list-style-type: none"> • Develop the Local Public Sector Board and Health & Wellbeing Boards

External

Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	

Economic

Low economic growth (EC1)	Chief Executive	Reduction in income (budget gap increases) Increased demand for services Negative social impacts	<ul style="list-style-type: none"> Investment Strategy Investment Strategy Board 	4	4	16	<ul style="list-style-type: none"> Deliver Investment Strategy Deliver Visitor Economy strategy ERDF business growth programme Regional Growth Fund projects
Welfare Reforms (EC2)	Chief Executive	Adverse effect on individuals and the local economy	<ul style="list-style-type: none"> Council-led strategic approach to assess the implications and prepare effective policy & delivery responses Hardship fund for those impacted by 'under occupancy penalty' Localised Welfare Assistance Scheme 	4	4	16	<ul style="list-style-type: none"> Deliver additional activity through a Local Partnership Framework. Undertake regular impact assessments Monitor criteria for Localised Welfare Assistance Scheme
Inability to provide match funding limits prevents us from accessing new (2014) EU funding (EC3)	Strategic Director Regeneration & Environment	Wirral would potentially miss key opportunities for economic growth	<ul style="list-style-type: none"> Planned approach to identifying priorities/ projects and potential match funding through development of the Merseyside programme 	3	3	9	<ul style="list-style-type: none"> Deliver a revised investment strategy delivery plan aligned to the next EU programme and develop projects as appropriate Continue lobbying as an authority and as part of LCR for national availability of match funding

Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	
<p>Failure to grasp the opportunities presented by membership of the LCR, relative to Wirral's size and importance</p> <p>(EC4)</p>	Chief Executive	Wirral could lose out in terms of external resource and potential investment	<ul style="list-style-type: none"> • LEP membership • CX influence via LCR Chief Executive group • Officer involvement in LCR policy design • Local democracy • Regular reports to political and executive leaders 	4	2	8	

Demographic

<p>Increasing demand for socially provided care exceeds the resources available (Council and NHS)</p> <p>(DE1)</p>	Strategic Director Families & Wellbeing	Budget gap could increase Criteria for support might need to be tightened	<ul style="list-style-type: none"> • Enhanced monitoring and reporting arrangements 	4	4	16	<ul style="list-style-type: none"> • Manage demand (provide greater information and signposting) • Develop alternative models of early intervention and prevention • Work collaboratively with partners
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Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	
Poor lifestyle choices continue to adversely affect public health and require different public provision (DE2)	Head of Policy & Performance / Director of Public Health	Health inequalities remain. Increasing demands on health and care services	<ul style="list-style-type: none"> • Role of sports development service • Health & Wellbeing Board provides focus and a forum for collaboration 	4	3	12	<ul style="list-style-type: none"> • Develop the Health & Wellbeing Board
Failure to equip the community to be more self-reliant (DE3)	Chief Executive	Demands on our decreasing resources might not reduce Needs might go unmet		3	3	9	<ul style="list-style-type: none"> • Work to change the mindset of staff and the community

Technological

Technological advance leads to digital exclusion of individuals and businesses (TE1)	Strategic Director Regeneration & Environment	Those who could benefit most from information and services available online will not do so Impact on SMEs ability to build & develop their business. (They are less likely to maximise usage of the internet)	<ul style="list-style-type: none"> • Council is leading a partnership approach to increasing digital inclusion ('Go ON Wirral'). • Wirral Digital Inclusion Plan 	4	3	12	<ul style="list-style-type: none"> • Community learning; training and IT skills • Work with partners to increase the network of publicly accessible PCs & Internet • Council project to encourage access to Council services online • Network of digital business champions • Increasing availability of free Wi-Fi • NGA superfast broadband project
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Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	

Environmental

<p>Failure to maintain/protect the environment and provide suitable sites for employment and housing deters inward investment</p> <p>(EN1)</p>	Strategic Director Regeneration & Environment	The local economy does not grow	<ul style="list-style-type: none"> Investment Strategy Housing Strategy 	4	3	12	<ul style="list-style-type: none"> Deliver LDF plan
<p>Growing incidence of extreme weather events</p> <p>(EN2)</p>	Strategic Director Regeneration & Environment	Flood risk could rise Council's operating costs could increase (e.g. winter maintenance) Disruption to services	<ul style="list-style-type: none"> Wirral Flood Risk Partnership 	4	3	12	<ul style="list-style-type: none"> Progress implementation of the Wirral Flood Risk Partnership action plan

Risk Description	Lead Officer	Potential Impact	Principal Controls (Current)	Residual Risk Scores			Principal Controls (Planned)
				Impact	Likelihood	Total	
Policy							
Growth of academies / free schools complicates our ability to raise educational attainment and provide skills (PO1)	Director CYPD / Strategic Director Families & Wellbeing	Impact on children's health (if schools do not see themselves as partners) Reduced grant Reduced buy back of traded services Serious issues at schools might only become apparent at a late stage, creating turbulence, with LA having only limited powers Change in LA status could alter existing very positive relationships with schools	<ul style="list-style-type: none"> • Dialogue with schools becoming Academies • Retention of support networks e.g Cluster Headteacher Groups • Traded Support Services offered to all schools, including Academies • Existing structures (e.g. WASH, WISP, Children's Trust Board) provide focus and forums for collaboration 	3	3	9	<ul style="list-style-type: none"> • More proactive trading of council services to Academies • Exploring with schools grouped Academy structures • Facilitating continuing dialogue with schools re Academy options
Uncertainty over funding post 2015 (PO2)	Director of Resources	Budget gap could increase	<ul style="list-style-type: none"> • Available intelligence is gathered at an early stage 	5	4	20	