

RISK REGISTER

Financial Year:	2009/10
Directorate:	
Executive Director:	
Risk Register:	Direcorate
Relevant SIPs:	
Risk Register Responsibl Officer (RRRO)*:	

	QR1	QR2	QR3	QR4
Date of Update and Review:				
RRRO Signature:				
Date of Review and Approval:				
Executive Director Signature:				

KEY: -

* - see Guidance worksheet item **xviii)** for definitions

Risk Register Colour Key:-

- = Corporate
- = Directorate
- = Service Area
- = Project/Partnership

RISK REGISTER

Risk Number	Description of Risk	Description of Potential IMPACT (with estimated costs if possible)	Description of LIKELIHOOD Factors	Risk Owner	Date Risk Raised	Inherent / Prevailing Risk			Countermeasures & Additional Controls / Mitigations / Actions (including SIP references where relevant)	Action Owner	In Operation Target Date	Date of Risk reviewed	Residual Risk			
						LIKELIHOOD Rating	IMPACT Rating	RISK Score					Residual LIKELIHOOD Rating	Residual IMPACT Rating	Residual RISK Score	
Objective: Deliver excellent customer focused services. (Insert here any Directorate or Service Area objectives that are linked to the Corporate Objective above)																
CS3.1	Contract objectives not delivered.	Failure to make repairs "Right 1st time". Links to SIP - 1.2, 1.5, 1.6, 2.1, 3.2, 3.3, 3.4, 4.1, 7.1, 9.5, 10.1	There are a comprehensive list of KPIs including "Right 1st time" 85% KPI target currently being achieved but increasing cost pressures could result in a cost / KPI trade-off.	Gary Whittaker	01/04/2008	2	5	10	In-house workforce flexibility has improved due to the multi-skilling programme to create a pool of multi-skilled craftworkers. Workforce allocation is monitored and controlled by Service Managers to optimise performance and supplemented by Sub-contractor support to achieve targets. Apprentice programme continues to produce additions to the established workforce.	Gary Whittaker	Ongoing	09/11/2009	1	5	5	
CS3.2		Skills shortage. Links to SIP - 0	If workload increases above capability of existing workforce risk of inability to cover gap.	Gary Whittaker	01/04/2008	2	5	10	In-house workforce flexibility has improved due to the multi-skilling programme to create a pool of multi-skilled craftworkers. Workforce allocation is monitored and controlled by Service Managers to optimise performance and supplemented by Sub-contractor support to achieve targets. Apprentice programme continues to produce additions to the established workforce.	Gary Whittaker	Ongoing	09/11/2009	1	5	5	
CS3.3		Poor Quality standard. Links to SIP - 3.2, 3.4, 4.1, 9.1, 9.4, 9.5, 10.1	KPI monitoring currently detects trending.	Gary Whittaker	01/04/2008	2	4	8	Quality of work continues to be tested to the appropriate standards attributed to the Contract, irrespective of whether the performer is in-house, sub-contractor of apprentice. All errors or omissions are corrected.	Gary Whittaker	Ongoing	09/11/2009	2	3	6	
CS3.4		Low staff retention. Links to SIP - 0	Restructure has streamlined required structure with over capacity in a number of areas.	Gary Whittaker	01/04/2008	2	3	6	Craftworkers enjoy the flexibility of a bonus incentive scheme with the security of a full time permanent (i.e. non-temp) role. Indirect workforce have recently gone through an intensive restructure / recruitment process to produce a smaller but more relevant workforce, aligned to the contractor/client structure	Gary Whittaker	Ongoing	09/11/2009	1	3	3	
All	Breakdown of stakeholder relationships	Adverse publicity Links to SIP - 0	Local Press relations strained	EMT ownership linked to Directorate responsibilities	01/04/2008	4	3	12	New Marketing team brought in as part of NCH restructure focused on promoting NCH's profile	EMT ownership linked to Directorate responsibilities	Apr-08		4	2	8	
		Breakdown of partnership relationship Links to SIP - 1.5, 1.6, 2.1, 2.2, 4.1, 5.4, 5.6, 6.3, 8.1, 10.3.	Funding/Political/Social/Performance/Industrial pressures	EMT ownership linked to Directorate responsibilities	01/04/2008	2	4	8	Networking between partners at all levels established and healthy dialogue exists promote awareness of aims, objectives, budgets and targets	EMT ownership linked to Directorate responsibilities	Ongoing			2	3	6
		Failure to embrace partnership ethos Links to SIP - 0	Lack of compromising / No teamworking	EMT ownership linked to Directorate responsibilities	01/04/2008	2	4	8	Networking between partners at all levels established and healthy dialogue exists to improve group consensus	EMT ownership linked to Directorate responsibilities	Ongoing			2	3	6
All	Budget Cuts	Mismatch between stakeholder expectations (Residents, Contractor, Client) Links to SIP - 3.2, 5.3, 5.5, 6.1, 6.2.	Projects & SORs agreed but monies not forthcoming due to external factors	EMT ownership linked to Directorate responsibilities	01/04/2008	4	3	12	Continuous dialogue, review and impact assessment of funding. Communication of risks & outcomes ongoing to impacted parties	EMT ownership linked to Directorate responsibilities	Ongoing			3	2	6
AM10	Lack of resources in the NCC Capital Programme leads to reduction of available funding	Specification of the Nottingham Standard will need to be reduced. NCH reputation would be damaged. Links to SIP - 0	The current Capital programme is under funded and is partially financed by future Capital Receipts. In previous years these receipts have not always been delivered. In addition the current economic climate may mean that the values within the receipts are greater than the current market reality.	Mark Johnson	01/04/2008	4	4	16	Introduction of greater financial controls over Capital Receipting. However external market forces/recession have reduced NCC's ability to fund capital programmes.	Steve Hale	In operation	05/11/2009	5	5	25	
Objective: Engage customers in influencing the shape and quality of housing services that we provide. (Insert here any Directorate or Service Area objectives that are linked to the Corporate Objective above)																
AM1	DH programme does not address the requirements and aspirations of the whole community as it does not take into account their needs.	Some residents will feel excluded from process and will not engage with the works leading to the vulnerable not receiving the benefits of the Decent Homes scheme. Links to SIP - 1.6, 2.1, 2.3, 4.1, 5.1, 9.4.	Although NCH has several residents groups in this area, inevitably this will address only some of the groups. Young people are particularly hard to reach.	Steve Edlin	01/04/2008	4	2	8	Consultation is being undertaken on the DH programme with the BME housing group and the Homes for You group. DH has introduced the Helping Hands programme for vulnerable customers. The Customer care group meets on a monthly basis and is chaired by an elected tenant.	Steve Edlin	In operation	05/11/2009	2	2	4	
CS1	Failure to meet residents aspirations & priorities.	Poor relations between residents & Council / NCH. Links to SIP - 1.2, 1.4, 1.5, 1.6, 2.1, 2.3, 4.1.	Ongoing KPI analysis gives past & present view of resident satisfaction.	Gary Whittaker	01/04/2008	2	4	8	Repairs Forums, KLOE meetings, Councillor requests, Board Committees etc all established to improve communication channels relating to aligning resident aspirations & priorities with NCH capabilities & resources	Gary Whittaker	Ongoing	09/11/2009	2	3	6	
AM2	Residents priorities are not addressed in the Asset Management Strategy.	Programmes are unfocussed and high likelihood of negative perception from Audit Commission. Links to SIP - 2.1, 5.1, 5.2, 5.3, 5.5, 6.1, 6.3.	Resident involvement with original programmes was not sufficient but priorities are now embedded within the Asset Management Strategy.	Steve Hale	01/04/2008	2	4	8	Residents priorities are being delivered as part of SWM Asset Management Programme.	Tim Shirley	In operation	05/11/2009	1	2	2	
CS2	Insufficient customer involvement.	Poor relations between residents & Council / NCH. Links to SIP - 2.1, 2.3, 4.1.	Numerous methodologies currently employed via face to face formal/informal meetings, customer questionnaires and telephone call-backs.	Gary Whittaker	01/04/2008	2	4	8	Repairs Forums, KLOE meetings, Councillor requests, Board Committees etc all established to improve communication channels relating to aligning resident aspirations & priorities with NCH capabilities & resources and Toolbox Talk involvement.	Gary Whittaker	Ongoing	09/11/2009	2	3	6	
AM3	Ineffective investment of Decent Homes monies released via 2008/09 Inspection	The Company does not achieve the target of ensuring all the managed Housing Stock is Decent Homes standard by 2013. Links to SIP - 5.3, 6.3	Company has achieved 2 star status but usage of funds needs to be performed efficiently & effectively	Mark Johnson	01/04/2008	3	5	15	Delivery of revised Asset Management Strategy.	Steve Hale	In operation	05/11/2009	2	4	8	
AM4	DH cannot be delivered for available funding (post 2').	The Company does not achieve the target of ensuring all the managed Housing Stock is Decent Homes standard by 2013. Links to SIP - 0	Former Decent Homes contracts show high prices in some areas.	Mark Johnson	01/04/2008	2	4	8	Asset Management Strategy - Reduction in Contractors/Change from Timber windows to PVCu/Work, SWM work Streaming, e-procurement & re-tender all programmes	Steve Hale	In operation	05/11/2009	2	2	4	
CS4	Failure to fulfil Client objectives with regards to Contractor responsibilities.	Decent Homes programme delayed, costs spiral, reputation tarnished Links to SIP - 5.3, 6.3	Contractor has option to bid for Decent Homes and associated work but current economic downturn has led to competition becoming increasingly price competitive	Gary Whittaker	01/04/2008	2	3	6	Relationship between Client & Contractor, Capital & Revenue programmes continues to improve as the respective management teams gain understanding of each others requirements & capabilities	Gary Whittaker	Ongoing	09/11/2009	1	3	3	
AM4.1	Financial failure of key partner	Decent Homes programme delayed, costs spiral, reputation tarnished Links to SIP - 0	Credit Crunch / Housing market crash	Steve Hale	01/04/2008	3	4	12	The risk has been spread over a number of partners, through re-tendering of the SWM programme	Steve Edlin	On going	05/11/2009	1	2	2	
AM5	Contractors do not deliver to time or to the required quality.	Use of contractors inhibits the Company's ability to achieve efficiency savings and cost reductions factored into budgets. The Company does not achieve the target of ensuring all the managed Housing Stock is Decent Homes standard by 2013.	NCH has embarked upon large scale procurement exercise for contractors with performance based contracts and financial mechanisms for incentive. NCH has also invested in Delcam Web based programme management software to ensure that early warning systems do not develop. All contracts are partnerships to encourage mutual problem solving.	Steve Hale	01/04/2008	2	4	8	Delcam has been embedded as the primary management tool to deliver the Capital programmes. The CDP will enable resources to be added/reduced as necessary.	Steve Edlin	In operation	05/11/2009	2	2	4	
AM9	Poor marketing and communication of the Decent Homes programme leads to unrealistic expectations. This affects the reputation of NCH.	The biggest direct impact that NCH will have on the residents is by the major improvements to their home through DH. Links to SIP - 0	This has happened previously to the lasting detriment of NCH. This time around the matter has been clearly addressed with expectations being managed. It is likely however that residents and other stakeholders such as councillors will still want more than we can afford.	Mark Johnson	01/04/2008	4	4	16	The message will be managed at all points of consultation. Marketing of the programme will make specific mention that not all properties will get everything. We are not doing the 'big bang' programme. By streaming everyone will have double glazed windows (top priority) in the first three years following 2'. NCH will actively promote the SWM programme through positive media.	Steve Hale	In operation	05/11/2009	2	3	6	

Objective: Be a key partner in the transformation of Nottingham's neighbourhoods. (Insert here any Directorate or Service Area objectives that are linked to the Corporate Objective above)																		
AM6	Decent Homes programme does not actively encourage vulnerable and hard to reach groups to engage in participation with the opportunities of the scheme.	Social exclusion - lack of skills training where most necessary. Links to SIP - 1.6, 2.1, 2.2, 2.3, 4.1,	Current programme has had little impact in this area.	Steve Hale	01/04/2008	4	2	8	Legacy projects such as One in a Million Programme/Helping Hands. Implementation of fit for purpose EIA, and VMS information will enable NCH to deliver an effective programme addressing individual needs.	Steve Edlin	In operation	05/11/2009	3	3	9			
CS5	Failure to comply with NN objectives regards to Contractor responsibilities.	Inability to support programme Links to SIP - 0	Programmes requirements evolve outside the capabilities of the Contracting arm	Gary Whittaker	01/04/2008	2	3	6	Contracting arm continues to work closely with all neighbourhood stakeholders	Gary Whittaker	Ongoing	09/11/2009	1	3	3			
CS6	Failure to comply with CRB (Criminal Records Bureau checking obligations).	Internally. External sub-contractors. Links to SIP - 0	Core competencies within organisation not available	Property Services Human Resources Pete Smith	01/04/2008	3	3	9	External (Derby City Homes) expert support used initially to support initial bulk load of staff. NCH HR staff now trained up.	Property Services Human Resources Pete Smith	Jun-08		1	3	3			
Objective: Be an excellent organisation. (Insert here any Directorate or Service Area objectives that are linked to the Corporate Objective above)																		
AM7	Failure to engage with modern procurement methods leads to inefficient spending in large capital areas.	Customers do not receive VFM for services, Decent Homes investment is not maximised. Links to SIP - 6.1, 6.2, 6.3,	NCH is now using procurement consortia and other methods of collaborative procurement to maximise value. Current Survey contract has maximised value through best practice.	Steve Hale	01/04/2008	2	3	6	SWM Programme re-tendered including e-procurement of major supply elements resulting a £3.5m saving and efficient streamed spending	Pete Smith	In operation	05/11/2009	1	1	1			
AM8	Lack of resources and capability leads to delays/poor quality projects.	Programmes are not delivered to time or to quality required. Links to SIP - 1.2, 1.6, 2.1, 3.2, 5.3, 6.1, 6.3,	NCH has embarked upon large scale procurement exercise for constructions support services for the NCH capital programme and has invested in Delcam Web based programme management software.	Steve Hale	01/04/2008	2	3	6	Delcam has been embedded as the primary management tool to deliver the Capital programmes. The CDP will enable resources to be added/reduced as necessary. Regular resource meetings are taking place to ensure that appropriate resources are allocated to the SWM scheme. However funding pressures will have an impact on existing resource.	Steve Edlin	In operation	05/11/2009	3	3	9			
CS7	Inability to predict and control Outturn Costs.	Erratic Material Costs/ Fuel Costs/ Labour costs. Failure to obtain procurement savings. Links to SIP - 0	Dialogue with Unions & Suppliers ongoing	Pete Smith	01/04/2008	5	3	15	Increase focus on utilising other cost saving opportunities to offset cost increases e.g. Bio fuels & Vehicle Tracker efficiencies. Effective use of other provisions within the Fleet forecast e.g. Tool provision.	Pete Smith	On going		4	2	8			
AM8.1		Costs increase for Contractor giving legitimate claims above tendered prices from Client Links to SIP - 0	Risking raw material & fuel costs impacting inflation	EMT/ City	01/04/2008	5	3	15	Lagging effect of RPIx increases to SOR implies short term risk with Contractor. Long term impacts projected and linked to Company wide overview	EMT/ City	On going	05/11/2009	4	2	8			
CS8.1	Poor quality of resources.	Loss of key staff. Links to SIP - 0	Contractor structure not sufficient to support Contract due to too stringent restructure	Gary Whittaker	01/04/2008	3	3	9	Extensive re-assessment of structure performed and recruitment almost complete	Gary Whittaker	Q2 2009/10	09/11/2009	2	2	4			
CS8.2		Failure to recruit replacement staff. Links to SIP - 0	Recruitment lag, restrictive wage hierarchy and limited pool of candidates recruitment becomes increasingly difficult.	Gary Whittaker	01/04/2008	3	3	9	Internal, local & national recruitment media used to fill vacancies on either a temporary or full time basis. Credit crunch increases resource pool	Gary Whittaker	Q2 2009/10	09/11/2009	2	2	4			
CS8.3		Failure of apprentice programme. Links to SIP - 0	Award winning programme was suspended due to Tender uncertainties. New recruitment only now re-starting.	HR / Ian Richardson	01/04/2008	2	3	6	Award winning programme continues to train existing apprentices and has recommenced recruitment into the programme following the Tender hiatus	HR / Ian Richardson	Ongoing		1	2	2			
CS8.4		Quality of sub-contractors/Agency. Links to SIP - 0	Recent OFT report on construction industry collusion has potential long reaching effect on pool of resources.	Steve Hale	01/04/2008	3	3	9	Sub-contractor dependencies has been proactively reduced plus all sub-contracting firms are extensively vetted as part of their pre & post contract commencement	Pete Smith	Ongoing	05/11/2009	3	3	9			
CS8.5		Poor quality of stock / materials. Links to SIP - 3.4, 6.1, 6.2,	As prices rise for a given quality risk of reducing quality to achieve cost challenges.	Steve Hale	01/04/2008	3	3	9	Procurement team tender across Europe for the optimal quality/price mix. Substitute goods often sourced in the event of prohibitive primary material costs. However, cost increases across all products implies unavoidable cost inflation	Pete Smith	Ongoing	05/11/2009	2	3	6			
CS8.6		Lack of clarity in roles & responsibilities Links to SIP - 0	New structure, new contract, new system, new role holders	EMT ownership linked to Directorate responsibilities	01/04/2008	4	3	12	Management team working together to understand knowledge gaps, devise appropriate remedies and feedback mechanisms	EMT ownership linked to Directorate responsibilities	Ongoing		3	2	6			
CS9	Poor industrial relations.	National & local Pay negotiations. Links to SIP - 0	Contrasting objectives of Unionised workforce requesting inflation busting pay rises versus Local authority pressure to keep costs down.	EMT ownership linked to Directorate responsibilities	01/04/2008	3	4	12	Option to use sub-contractors at current prices due to slowing down of their private sector workloads. Unions entered into new round of talks	EMT ownership linked to Directorate responsibilities	Q4 2009/10		2	3	6			
CS9.1		Legislation adherence Links to SIP - 0	Tribunal rulings / Single status implications CR101	EMT ownership linked to Directorate responsibilities	01/04/2008	5	5	25	Communication at EMT level ongoing. Funding from City being investigated. Strategic review of budget allocations/ targets taking place	EMT ownership linked to Directorate responsibilities	Ongoing		4	3	12			
CS10	Lack of robust Financial support.	Links to SIP - 0	Increased focus on performance requires greater emphasis on reporting financials.	Simon Martin	01/04/2008	2	3	6	£400K of support has been earmarked to deliver a comprehensive Financial Service	Simon Martin	Ongoing		1	3	3			
CS11	Failure to control costs and subsequently forced to withdraw from the Contract.	Insufficient workload to cover fixed overheads. Links to SIP - 3.2, 3.4, 6.1,	Lower than expected Income/ higher than expected costs resulting in loss making Contractor. Good working relations between Client & contractor essential to successful contract.	EMT / Contract Administrator / Contract Manager	01/04/2008	3	5	15	Due to vast variance between in-house and external bid costs NCH has a considerable advantage over external bidders. However, it must make sure it minimises any deficit outturn. Require register of uncontrollable adverse variances to allow assessment of controllable deficit and possible recharges to City	EMT / Contract Administrator / Contract Manager	On-going		1	5	5			
All	Health & Safety	Non adherence to H&S plan & CDM Links to SIP - 5.1, 5.2,	Individual put a risk, Company could be disbanded	EMT ownership linked to Directorate responsibilities	01/04/2008	3	4	12	Comprehensive review of H&S communication - literature/ meetings/ 1 to 1s	EMT ownership linked to Directorate responsibilities	Ongoing		2	3	6			
		Non Compliance with Gas regulations Links to SIP - 7.1	Individual put a risk, Company could be disbanded			2	5	10	Comprehensive review of Gas communication - literature/ meetings/ 1 to 1s		Ongoing		1	5	5			
		Re-active H&S Culture Links to SIP - 0	Fail to plan / plan to fail			3	4	12	Refocus on proactive culture reinforced through communication		Ongoing		2	3	6			
		Lack of Risk Management Procedures Links to SIP - 0	Fail to plan / plan to fail			3	3	9	Refocus on proactive culture reinforced through communication		Ongoing		1	3	3			
CS13	Hand held technology.	New technology to improve communication, data capture and customer satisfaction: Part of Contractor proposal and expected to from part of longer term efficiency pledges. Links to SIP - 1.2, 1.6, 2.1, 3.2,	Technology has great potential but progress has been delayed as initial go-live date clashed with ROCC and Inspection	Gary Whittaker	01/04/2008	2	3	6	Initial external links with interested suppliers have been made (Triangle) and refocus on project will commence once ROCC is completed	Gary Whittaker	Q4 2009/10	09/11/2009	1	3	3			
Off-Plan Objectives - Other duties, responsibilities & challenges. (Insert here, and below, any Directorate or Service Area objectives that are not linked to the Corporate Objectives above)																		
All	Significant loss of housing stock	Fewer houses means reduced budgets & downsizing of NCH requirements Links to SIP - 0	Credit Crunch / Disposable income / Political policy	EMT	01/04/2008	1	5	5	Trends indicate stock falling but at a gradual rate but economic factors indicate this rate will slow. Long term aspiration target is for NCH to build/ maintain new/other properties either with/without partners	EMT	Ongoing		1	3	3			
All	Change in national political environment	ALMOs disbanded, funding scrapped, new targets, new legislation Links to SIP - 0	Any changes likely to take place in medium term but potentially any change could have fundamental impact on ALMO	EMT	01/04/2008	1	5	5	Maintain communication channels with local & national government. Awareness of spectrum of actions should political landscape change	EMT	Ongoing		1	3	3			
AM11	Asbestos Exposure	Potentially life threatening illnesses Links to SIP - 5.1,	Residential properties may have asbestos contained in building materials	Steve Hale	01/04/2009	3	5	15	Type 2 Surveys are being undertaken as part of the stock condition survey and information has been sent to all residents regarding Asbestos within their properties. The Asbestos register is kept up to date on a daily basis.	Tim Shirley	Ongoing	05/11/2009	2	2	4			

Risk Matrix

Likelihood Rating	Almost Certain	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Unlikely	3	3	6	9	12	15
	Improbable	2	2	4	6	8	10
	Remote	1	1	2	3	4	5
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			Impact Rating				

Numbers in the boxes are the "Risk Scores" which are equal to the product of the Impact and Likelihood "Risk Ratings".

Likelihood

HOW TO MEASURE LIKELIHOOD (Vertical Axis)		
LIKELIHOOD RATING	DESCRIPTION	CRITERIA
5. ALMOST CERTAIN	Almost certain to occur	81+% chance
4. LIKELY	More likely to occur than not	51-80% chance
3. UNLIKELY	Less likely to occur than to not	31-50% chance
2. IMPROBABLE	Low but not impossible	11-30% chance
1. REMOTE	Virtually impossible	0 to 10% chance

Impact

HOW TO MEASURE IMPACT (Horizontal Axis)		
IMPACT RATING	COST IMPACT	SCHEDULE IMPACT
5. CATASTROPHIC	Major increase (75+%)	Major delay (>50%)
4. MAJOR	Large increase (31-75%)	Large delay (31-50%)
3. MODERATE	Significant increase (11-30%)	Significant slip (11-30%)
2. MINOR	Small increase (4-10%)	Small schedule slip (4-10%)
1. NEGLIGIBLE	Negligible effect on projected cost (0-3%)	Negligible effect on projected schedule (0-3%)

ACTIONS REQUIRED AFTER ASSESSING INHERENT RISK

INHERENT RISK SCORES	CONCLUSION AND ACTION REQUIRED	RESIDUAL RISK SCORES	MONITORED BY (Timeliness)
1 to 4	<p><u>Acceptable level of risk.</u> No further action(s) required to reduce risk, but Action Owners shall ensure that the relevant controls are operating effectively. Existing controls for low risk areas shall be carefully reviewed to ensure that there are not too many controls in place i.e. lack of efficient use of resources.</p>	1 to 4	SERVICE AREA MANAGERS / RROs (Quarterly)
5 to 11	<p><u>Implementation of additional controls may be required.</u> The costs and benefits associated with implementing additional systems, controls, processes and procedures designed to mitigate individual risks shall be considered and implemented as deemed required. The relevant Director/RRRO/RRO or CRO may agree that no further action(s) should be taken, but this decision must be recorded on the risk register.</p>	5 to 11	
12 to 25	<p><u>Implementation of additional controls is required.</u> Directors/RRROs/RROs (and their teams) or the CRO (and the RMP) shall discuss, establish and implement additional systems, controls, processes and procedures designed to mitigate individual risks. If the decision is taken not to introduce additional controls or other measures to mitigate high level risks, approval must be sort from the Board. Any such agreement from should be recorded on the risk register.</p>	1 to 4 5 to 11 12 to 25	

* - Directors are ultimately responsible for deciding which risks are included on their Directorate Risk Registers and explaining any such omissions from SARRs.

Risk Register Construction Steps (for more detailed guidance see the Risk Management Cycle - Appendix 6 of the RMF)

- 1) Risk registers should be completed, reviewed and updated as per the requirements of Company's Risk Management Framework (available on the Company's internet site - see link towards the bottom of the following linked page):
http://www.nottinghamcityhomes.org.uk/customer_care/more_strategies.aspx
- 2) Risk Register Owners (RROs)/Responsible Officers (RRROs) should identify the individual risks associated with each corporate plan objective specified on the
- 3) "Risk Register" worksheet RROs/RRROs should identify any additional risks associated with their risk area under "Other duties, responsibilities & concerns" at the bottom of the "Risk Register" worksheet.
- 4) Each risk should be assigned a 'Risk Owner' (defined below) and a date when the risk was raised.
- 5) Where the risk register is aligned with a Service Improvement Plan (SIP) (see Summary worksheet) the SIP should be reviewed alongside the register to ensure that all risks associated with achieving SIP objectives are identified and included as necessary and cross referenced.
- 6) Value for Money, the Reputation of the Company & Financial Cost should be considered by all RROs/RRROs in relation to the risks in their areas.
- 7) RROs/RRROs should provide each risk with an impact and likelihood rating according to the "rules" set out on the "Risk Matrix" worksheet. The "Inherent/Prevailing Risk Score" will be calculated automatically. This is the initial score before Counter Measures or Controls in place to manage the Risk have been considered and is sometimes called the "natural" risk rank. Risks that have scores of 12,15,16,20 or 25 are serious risks with **HIGH** Risk Scores that require a bespoke management response.
- 8) RROs/RRROs should identify existing counter measures for each risk and assess whether they are adequate.
- 9) RROs/RRROs should identify additional actions to be taken (e.g. Controls / Mitigations / Countermeasure Actions or a Management Plan) if the existing counter measures are considered to be insufficient to manage each risk down to an acceptable level.
- 10) Each action identified as required to control risk should be assigned an 'Action Owner' (defined below). There will often be more than one Action Owner for each risk and Action Owners may be the peer of, or more senior to, the Risk Owner.
- 11) The key existing Counter Measures (step 7) and any new action(s) identified during step 8) should be summarised in the related column of the "Risk Register" worksheet, together with specific "In Operation Target Dates".
- 12) RROs/RRROs should then re-rank each risk with a "Residual" impact & likelihood rating according to the "rules" on the "Risk Matrix" worksheet. The final "Residual Risk Score" will be calculated automatically.
- 13) Directorate Risk Registers should only include risks with **HIGH** and **MEDIUM** Risk Scores.

Risk Register Validation (actions required of the RRRO, RRO and Company Secretary)

- a) Risk Registers should be reviewed & updated as per the requirements of the Risk Management Framework & evidenced as such through completion of the 'Summary' worksheet.
- b) Registers should be reviewed against all relevant Internal Audit reports to highlight any controls identified by IA as not being in place or not working effectively.
- c) The Risk Register review process should include the testing of a selection of counter measures/controls to ensure they are in place and working effectively.
- d) Evaluation Forms (included as Appendix D in the Risk Management Framework) should be used by Executive Directors, RRROs and RROs to evaluate the content of their risk registers against the Company's Risk Management Framework.

Definitions (for further definitions see the Company's Risk Management Framework - Appendix A)

- i) **Risk**: combination of the **probability** of an **event** & its **consequence**. The term **risk** is generally used only when there is at least the possibility of negative consequences. In some situations, risk arises from the possibility of deviation from expected outcomes or **events**.
- ii) **Consequence**: outcome of an **event**. There may be more than one consequence from an event. Consequences can range from positive to negative and can be expressed qualitatively and quantitatively.
- iii) **Probability**: extent to which an **event** is likely to occur. Degrees of belief about probability can be chosen as ranks, such as rare/unlikely/moderate/likely/almost certain.
- iv) **Event**: occurrence of a particular set of circumstances. The event can be certain or uncertain, with a single occurrence or a series of occurrences. The probability associated with the event can be estimated for a given period of time.
- v) **Risk management**: the process of controlling **risks** to ensure that they are reduced to an acceptable level.
- vi) **Likelihood** – an assessment is made of how likely the risk is to occur in practice.
- vii) **Impact** – an assessment is made on if the risk did occur, what would be the impact on the Company.
- viii) **Risk control**: actions implementing **risk management** decisions. Risk control may involve monitoring, re-evaluation and compliance with decisions.
- ix) **Risk response**: actions taken to mitigate a **risk**.
- x) **Risk reduction (mitigation)**: actions taken to lessen the **probability**, negative **consequences** or both, associated with a **risk**, through specific controls.
- xi) **Risk treatment**: process of selection and implementation of measures to modify **risk**. Risk treatment measures can include avoiding, optimising, transferring or retaining **risk**.
- xii) **Inherent (gross) risk**: the **exposure** arising from a **risk** before any action has been taken to manage it. Recurrent **risks** that arise through an organisations existence in an environment i.e. not necessarily through its actions or choices, are often referred to as inherent risks.
- xiii) **Residual risk**: the **exposure** arising from a specific **risk** after action has been taken to manage it (making the assumption that the action has been effective) i.e. **risk** remaining after **risk** treatment. Residual risk should be lower than the **inherent risk**.
- xiv) **Risk rating**: derived from the scoring mechanism and designed to allow the organisation to prioritise its **risk management** activities.
- xv) **Risk score**: each risk is assessed for **impact** and **likelihood** before considering what **controls** are in place to manage it. The resulting score is called the risk score and is derived from the factor of the individual **likelihood** and **impact** risk ratings.
- xvi) **Risk matrix**: the mechanism used to display the **risk scores** produced as a result of the various **risk ratings**.
- xvii) **In operation target date**: the target date by which all 'Additional Controls, Mitigations and Countermeasure Actions', adopted to address specific **risks**, have been established and implemented.
- xviii) **Risk Register Owners (RROs)**: responsible for reviewing, updating and managing (primarily) Service Area Risk Registers, (but also) the Corporate Register and project or programme risk registers.
- xix) **Risk Register Responsible Officers (RRROs)**: responsible for reviewing, updating and managing Directorate Risk Registers.
- xx) **Risk Owners**: responsible for individual risks assigned.
- xxi) **Action Owners**: responsible for taking the actions needed to control the risk, as authorised by the Risk Owner.