

# Nottingham City Homes strategy summaries



## Risk management strategy 2008-2013

**All organisations face uncertainty which both exposes the organisation to risk and presents them with opportunities. Effective risk management reduces the probability of failure and the uncertainty of achieving the organisation's overall objectives. The successful implementation of a robust risk management process at strategic, project and operational level is vital to achieving the company's objectives.**

Risks can come from inside or outside Nottingham City Homes (NCH). They may include financial loss, physical damage to people or buildings, client dissatisfaction, unfavourable publicity, failure of equipment, or fraud.

Failing to take advantage of opportunities may also have risks for the company. There is no such thing as a risk-free environment, but many risks can be avoided reduced or eliminated through good risk management. Risks according to how they may affect NCH as it delivers its services can be classified as follows:

- Strategic (corporate) risks – risks which may affect the company's ability to achieve its plans
- Project (programme) risks – risks that may impact on the organisation's ability to complete projects within the original budgets and timescales or deliver the required outputs
- Operational (service) risks – risks which may prevent the company delivering its core services, eg lack of staff, damage to buildings, equipment failure

In most cases these risks can be further classified as:

- Reputational risks - risks that may undermine the confidence that NCH's partners, customers, staff and the public have in it, eg adverse news articles
- Financial risks – risks which may cause a breakdown in NCH's financial systems eg fraud.

Risk management is something that managers do every day as part of their normal work, although it may not always be written down and managers may not use a formal procedure to make their final decision. Risk management can be explained as a tool for managers to use so that they are able to identify, evaluate and manage both risks and opportunities in a logical and consistent way.

Risk management should be considered as a continuous process, which evolves as NCH gains more understanding of the risks and opportunities facing it and how to manage these effectively. Accordingly, NCH is developing a culture of risk management at all levels, across the whole company, to enable it to manage risk effectively through the Risk Management Policy, which sets out the procedure to follow when assessing risks.

