

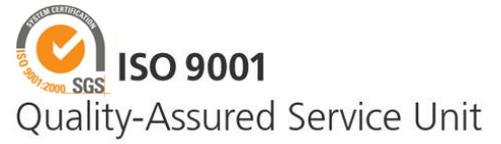
Private and Confidential  
**Risk Management Report**

Prepared for: Kensington and Chelsea Partnership

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# Contents

Section		Page No.
1.	Introduction	1
2.	Executive Summary	2
3.	The Process	3
4.	Next Steps	5
Appendix 1	List of Participants	6
Appendix 2	Risk Profile	7
Appendix 3	Strategic Risk Register	8

# 1. Introduction

During April and May 2008, a Strategic Risk Management exercise was conducted with the Kensington and Chelsea Partnership steering group. This exercise was an opportunity to establish through identification, analysis and prioritisation the key risks that could affect the ability of the Partnership to achieve the Community Strategy, and in doing so establish a Strategic Risk Register.

The exercise involved conducting interviews with a number of members of the steering group (**see Appendix 1**) to identify key strategic risks. The risks were then presented back to Steering Group members at a prioritisation workshop on 15<sup>th</sup> May 2008. During this workshop each risk was discussed to ensure common agreement and understanding of its description and then prioritised on a matrix. Each risk was plotted on a risk matrix depending on its likelihood and impact on the ability of the KCP, as a body, to achieve its priorities.

The report outlines the process used by Zurich Municipal Risk Management and the outcomes achieved.

This is a private and confidential document prepared exclusively for KCP by Zurich Municipal Risk Management. It has been distributed to Rachel Smith, Kensington and Chelsea Partnership Manager (RBKC) and a copy has been retained by Zurich Municipal Risk Management.

## 2. Executive summary

During April and May 2008, a Strategic Risk Management exercise was conducted with members of the Kensington and Chelsea Partnership. This exercise was an opportunity to establish through identification, analysis and prioritisation the key risks that could affect the ability of the Partnership to achieve key objectives, and in doing so establish a Strategic Risk Register.

This exercise involved interviews with a number of the steering group members, followed by a prioritisation workshop, attended a number of steering group members. During this workshop each risk was discussed to ensure common agreement and understanding of its description and then prioritised on a matrix. Each risk was plotted on a risk matrix depending on its likelihood and impact on the ability of the KCP, as a body, to achieve its priorities. This Risk Profile is available in Appendix 2 and the Risk Register is available in Appendix 3.

The next stage for these risks that appear in the red and amber areas is to manage them. This will require assessing the adequacy of existing actions and looking at putting further actions and controls in place to manage the risks down the matrix.

The group also needs to agree a timescale for re-visiting these risks in order to assess if they are still relevant, if actions are improving the risks and to identify new scenarios. There is also a need to consider the wider communication of the output from this session.

### 3. The Process

#### 3.1 Risk Identification

The first of five stages of the risk management cycle requires risk identification. This was achieved through interviews attended with Steering Group members on 14<sup>th</sup> and 23<sup>rd</sup> April 2008. In doing so the categories of partnership risk were considered (see Figure 1).

Figure 1



#### 3.2 Risk Analysis and Prioritisation

The results from the interview stage were analysed and put into 8 risk scenarios. These were presented to a number of Steering Group members. During the workshop it was decided by the group to modify the wording of some of the scenarios, and one scenario, no 4, was split into risks 4a and 4b, resulting in 9 risk scenarios being agreed (see Appendix 3).

These were then assessed for impact and likelihood and plotted onto a matrix (see Appendix 2). The impact was assessed against delivering the priorities set out in the Community Strategy. The categories of impact were 'Catastrophic', 'Major', 'Serious', 'Significant', 'Minor' and 'Insignificant'. The likelihood of the risks was measured as being 'Will occur', 'Likely', 'Probable', 'Occasional', 'Remote', and 'Improbable / Extremely unlikely'.

Once all risks had been plotted the matrix was overlaid with Red, Amber and Green zones. Those risks in the Red and Amber zones particularly require further scrutiny.

### **3.3 Risk Management and Monitoring**

It is recommended Steering Group members complete the action planning process as soon as possible in order to manage the risks. It is also important that this work is monitored and measured and that management action plans are reassessed regularly to ensure that progress is being made and that targets can be met.

In addition each risk should be owned by a member of the Steering Group to ensure that there is high level support, understanding and monitoring of the work that is required as part of the action plans. Risks should also be reviewed regularly, in order to assess if they are still relevant and to identify new issues.

## **4. Next steps**

### **4.1 Action Planning**

Once risks have been identified and prioritised the next step is to put in place management action plans for those risks in the red and amber areas of the matrix. Although the group as a whole is responsible for managing risk it is important, where possible, to assign a named individual to each risk that is to be managed. This individual would be responsible for driving through on and ensuring the actions that need to be carried out to manage a risk are followed through.

### **4.2 Risk Management at a Subgroup level**

We recommend, that moving forward, now the Steering Group has been through the process, that a similar exercise be conducted with each of the subgroups. This will allow each subgroup to identify and prioritise the risks to delivering their own aims, objectives and targets. Again action plans should be put in place to manage the key risks within each subgroup.

Once this has been done it then also allows the Steering Group, to look at the top 2 or 3 risks within each subgroup; spot trends, patterns and problems that may be occurring and ensure each group is effectively managing its key risks. This will help to ensure a thorough and consistent approach to Risk Management.

### **4.3 Regular Reporting and Monitoring**

The risks identified and prioritised will change over time, as KCP changes over time. There is a need to revisit and review the risks on a regular basis. We would suggest this is done quarterly or 6 monthly as part of the normal performance management procedures within the KCP.

The Steering Group may also find value in refreshing these risks on an annual basis by holding a workshop to review the current risks and identify new ones that have appeared over the last 12 months.

# Appendix 1 – List of Participants

## Interviewees

Jane Mather - Forum of Faiths  
Mark Heath - Borough Commander – Police  
Don McBean - Learning and Skills Council  
Celia Reese-Jenkins - The Kensington Societies  
Michael Bach - Chair, Kensington and Chelsea Social Council  
Cllr Nicholas Paget-Brown – RBKC Cabinet Member for Regeneration,  
Environmental Management and Leisure  
Tim Chidgey - Fire Service  
Stephen Weil -  
Melanie Smith - Director of Public Health, Kensington and Chelsea PCT

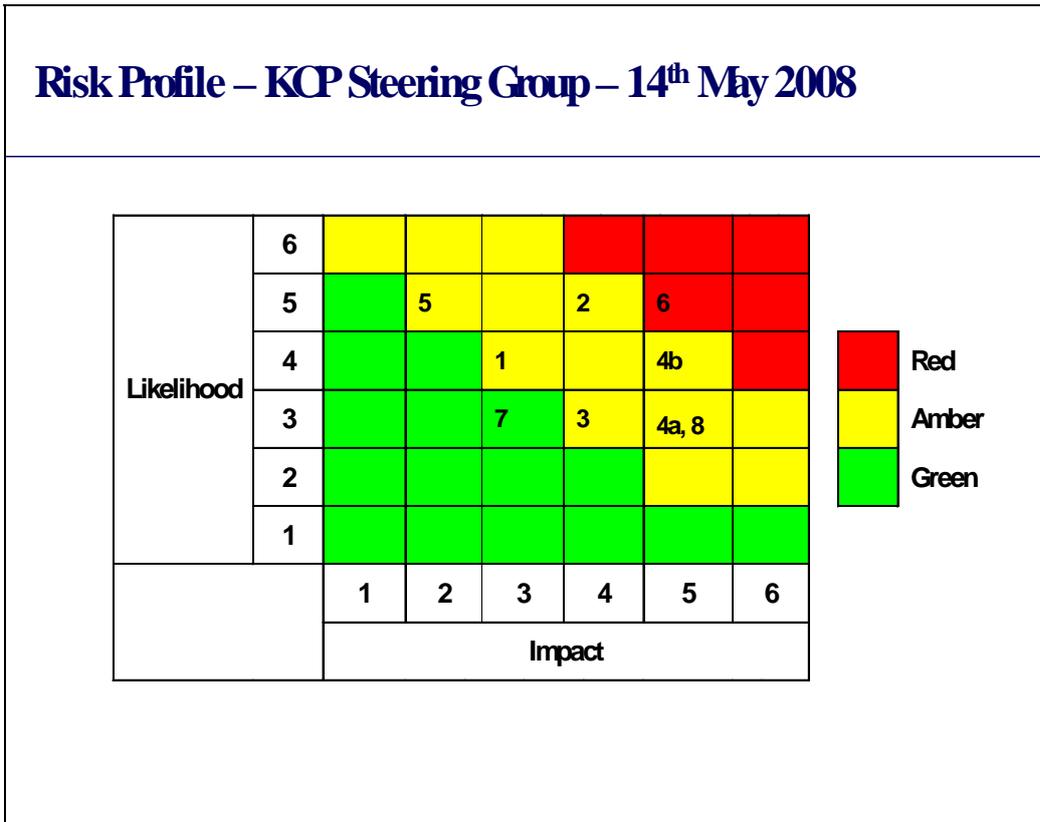
## Workshop Attendees

Don McBean  
Michael Bach  
Melanie Smith  
Celia Reese-Jenkins  
Tim Chidgey  
Stephen Weil  
Helen Leech  
Juliet Rawlings

# Appendix 2 – Risk Profile

## Risk profile

During the workshop, 7 risks were identified and framed into scenarios. The attendees rated 2 of these as red risks, 4 as amber risks and 1 as a green risk. The results are shown on the following risk profile.



Appendix 3 shows all the risks that were discussed.

It is important that an action plan is written for each of the risks shown, with particular focus on the risks in the red area as a matter of priority, and then those in the amber area, as it is this which will allow them to be monitored and successfully managed down.

# Appendix 3

## Strategic Risk Register

Risk No	Likelihood	Impact	Risk Score	Cause	Example Consequences	Risk Owner
6	Likely, 5	Major, 5	25	<p>KCP should be recognised as a key stakeholder both within the local area, and regionally in respect of fundamental decisions which may affect or have an impact on the Borough. This is particularly important in ensuring a borough wide joined up approach is taken to regional and city initiatives and activities, so they fully complement and contribute to key targets and initiatives within the KCP LAA and Community Strategy.</p> <p>KCP steering group not recognised as a key consultative body</p>	<ul style="list-style-type: none"> <li>Steering Group not consulted on major decisions affecting the Borough</li> <li>Consultation done solely on an individual organisational basis</li> <li>Unable to lobby or influence effectively</li> <li>Affects delivery of key issues</li> <li>Unable to fully influence key decisions e.g. Crossrail, Olympics</li> <li>Unable to fully take opportunities to deal with significant issues in areas of the Borough</li> <li>Key decisions may conflict with Community Strategy</li> <li>Unable to deliver fully on Community Strategy</li> </ul>	
2	Likely, 5	Serious, 4	20	<p>The subgroups are the key delivery mechanisms of the KCP, focusing on a number of key areas, and it is important that they deliver effectively and have a consistent and robust approach to performance, accountability and communication.</p> <p>Some of the subgroups are linked to existing Partnerships, such as the CDRP, and others are relatively recent, meaning the subgroups are at different levels of maturity.</p> <p>There is currently a lack of well understood and recognised clear standards of working for subgroups, with some uncertainty about involvement, accountability, performance management, and links with the Steering Group and between sub groups.</p> <p>Risk of being unable to have clarity on accountability, ownership and performance approach across subgroups</p>	<ul style="list-style-type: none"> <li>Some subgroups not as effectively managed as others</li> <li>Key actions not completed</li> <li>Subgroups 'freelance'</li> <li>Unable to ensure focus on key targets in key areas</li> <li>Programmes and projects slip</li> <li>Subgroups and partners work in silos</li> <li>Unable to understand and develop links between subgroups</li> <li>Loss of opportunity</li> <li>Inefficient sharing of information and resource</li> <li>Participants become disillusioned</li> <li>Subgroups work against each other</li> <li>Duplication of work and effort</li> <li>Fail to achieve what is expected</li> <li>Loss of LAA funding if key targets not met</li> <li>Impact on other subgroups – they are all interlinked</li> <li>Unable to deliver fully on Community Strategy</li> </ul>	

4b	Probable, 4	Major, 5	20	<p>There is recognition that partner organisations have pressures and targets to meet other than those in the LAA , i.e. local, regional and national initiatives, and targets coming from Central Government, EU etc</p> <p>For the LAA to be successful, however, it will need to be aligned to the key future plans and direction of each partner organisation for the Borough.</p> <p>Risk of partner organisations being unable to link LAA targets and other key targets</p>	<ul style="list-style-type: none"> <li>• Partner organisation unable to commit fully to key KCP LAA objectives/ targets</li> <li>• Partner organisation led away from LAA targets by their 'Centre' or other body</li> <li>• Duplication of effort &amp; resource</li> <li>• Collective resources are not maximised</li> <li>• Resources are not targeted to where the need is in a joined up way</li> <li>• Missed opportunities</li> <li>• Unable to deliver fully on LAA</li> </ul>	
4a	Occasional, 3	Major, 5	15	<p>There is recognition that partner organisations have pressures and targets to meet other than those in the Community Strategy, i.e. local, regional and national initiatives, and targets coming from Central Government, EU etc</p> <p>For the Community Strategy to be successful, however, it will need to be aligned to the key future plans and direction of each partner organisation for the Borough.</p> <p>Risk of partner organisations being unable to link the Community Strategy and other key targets</p>	<ul style="list-style-type: none"> <li>• Partner organisation unable to commit fully to key KCP objectives/ targets</li> <li>• Partner organisation led away from Community Strategy by their 'Centre' or other body</li> <li>• Duplication of effort &amp; resource</li> <li>• Collective resources are not maximised</li> <li>• Resources are not targeted to where the need is in a joined up way</li> <li>• Missed opportunities</li> <li>• Unable to deliver fully on Community Strategy</li> </ul>	
8	Occasional, 3	Major, 5	15	<p>The Comprehensive Area Assessment, from April 2009, will place significantly increased regulatory requirements on strategic partnerships through the Area Risk Assessment, which will be forward looking and risk based and will likely include a number of inputs, including progress towards LAA targets and national indicators, views of users and other stakeholders and inspection findings.</p> <p>Along with this, a number of partner organisations will be subject to Use of Resources judgments on an annual basis, however these will be tougher than currently.</p>	<ul style="list-style-type: none"> <li>• Credibility of partnership affected</li> <li>• Tension between partners</li> <li>• Adverse media</li> <li>• Wider perception of area affected</li> <li>• Loss of reputation</li> <li>• Increased inspection</li> </ul>	

				Risk that the area and / or key partners CAA outcomes are lower than anticipated		
3	Occasional, 3	Serious, 4	12	<p>The LAA targets need to be balanced to be both aspirational and achievable. Achievement against targets will be monitored and measured and will require a sound evidence base of achievement.</p> <p>Risk of not having balanced targets which are aspirational, achievable and shared</p>	<ul style="list-style-type: none"> <li>• Unable to achieve aspirations within Community Strategy</li> <li>• Partnership fails to have significant impact</li> <li>• Criticism from inspectors</li> <li>• Reputation of Borough affected</li> <li>• Disaffection of local people</li> <li>• Reputation of partners affected</li> </ul>	
1	Probable, 4	Significant, 3	12	<p>There is a need for greater shared understanding around both the role and remit of the KCP Steering Group, and the expectations and demands on partners through involvement as a member of it.</p> <p>Membership of the LSP is statutory for certain organisations, voluntary for others, and it is key that there is clear understanding of the role of the Steering Group in terms of governance and accountability and also of the roles and responsibilities of the individual members within achieving key targets and delivery of the Community Strategy.</p> <p>Currently there is no formal induction for new members in place; however the terms of reference and partnership framework are to be reviewed summer 2008.</p> <p>Risk that roles and responsibilities of partners and the Steering Group remain unclear to all</p>	<ul style="list-style-type: none"> <li>• Lack of a communal approach and sense of partnership</li> <li>• Community Strategy not owned by all partners</li> <li>• Possible partner disengagement</li> <li>• Community Strategy not communicated effectively</li> <li>• Performance management not robust</li> <li>• Things fall through the gaps</li> <li>• Performance suffers</li> <li>• Affects ability to meet future regulatory requirements</li> <li>• Meet targets but don't make real difference</li> <li>• Unable to deliver on community strategy</li> </ul>	
5	Likely, 5	Minor, 2	10	<p>There is currently an inconsistent understanding across all partners of what each can bring to table and their respective pressures and accountabilities e.g. funding / budget pressures, procurement cycles etc. There are also changing environments and there have been, and will be fundamental changes in some areas, e.g. health, LSC. A further aspect here is to understand how partner</p>	<ul style="list-style-type: none"> <li>• Communication between partners suffers</li> <li>• Lack of consistency across partners</li> <li>• Restricts flexibility</li> <li>• Community groups not fully engaged</li> <li>• Missed opportunities</li> <li>• Partners fail to learn from each other</li> <li>• Partnership fails to work to full effectiveness</li> </ul>	

				<p>organisations engage with the community and certain groups in particular.</p> <p>Risk of being unable to fully understand and communicate key position, changes, pressures and parameters of partner organisations</p>	<ul style="list-style-type: none"> <li>• Partners may work against each other</li> <li>• Lack of trust and understanding</li> <li>• Partnership is less robust than it might be</li> </ul>	
7	Occasional, 3	Significant, 3	9	<p>The KCP is a significant opportunity to solve complex problems more effectively than if tackled by one organisation alone. There is scope for increased joined up working, through identifying and using resources more effectively, particularly at subgroup level</p> <p>The key is that the KCP adds value over and above the sum of its individual parts and is risk aware, not risk averse.</p> <p>Partner organisations miss opportunity to work innovatively or collaboratively</p>	<ul style="list-style-type: none"> <li>• Collective resources are not maximised</li> <li>• Resources are not targeted to where the need is in a joined up way</li> <li>• Miss opportunities to use the voluntary sector to good effect</li> <li>• Partners fail to learn from each other</li> <li>• KCP is simply the sum of the parts and does not add value</li> </ul>	