



OLDHAM PARTNERSHIP

LAA risk assessment

Economic Development and Enterprise Block

Oct 2006

Executive Summary

On October 4th 2006 a risk management assessment was facilitated by Pam Duke of Bannisdale Consulting Ltd for the Economic development and enterprise block of Oldham partnership.

This exercise involved partnership members involved in the delivery of the LAA's for the Economic development and enterprise block. The session provided an opportunity to introduce the risk management methodology for the partnership and allow all members to contribute to the identification and prioritisation of the key risks facing the delivery of their LAA's.

The session risk assessed the ability of the Economic development and enterprise partnership to achieve its shared priorities of:

“Improving employment opportunities and skills attainment for local people, and creating an environment to encourage entrepreneurship and investment”

- Improving enterprise, innovation and business growth
- Improve the skills and employability of the Borough's residents
- Reducing poverty and inequalities
- Attracting investment to create quality modern floor space and new jobs

The top risks facing the economic development and enterprise block in priority order are:

Scenario	Short name
8	Insufficient validated information to effectively prioritise and target effective delivery of services
4	Regional policy direction does not meet local need
7	Reduced support to businesses and part of the economy won't receive any support
1	Don't get LEGI funding
2	Failure of one of the outcomes
5	Lack of operational support from key partners
9	Insufficient employment quality land / sites available for development
10	Can't attract high growth business into the area due to high cost of refurbishment.
3	Additional European funding is delayed
6b	Lack of succession planning within the partners

These risks are above the tolerance line now require to be managed and monitored to ensure that they do not hinder the delivery of the partnership's LAA objectives.

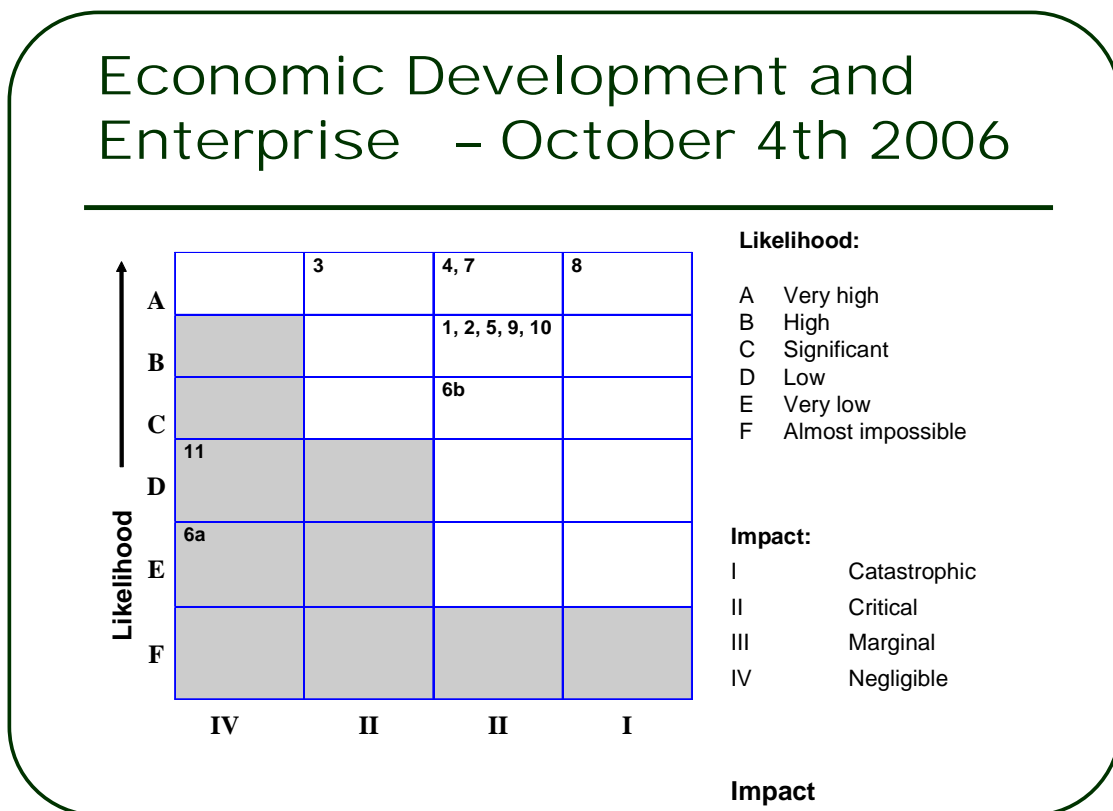
LAA Risk assessment exercise – October 2006

Economic development and enterprise block

On the 4th October 2006 partnership members from the Oldham partnership economic development and enterprise block identified and prioritised 12 risks.

The risk appetite was also established to determine which risks need to be managed and which risks the group are happy to live with.

10 risks were prioritised above the risk appetite with 2 risks below. The completed matrix is shown below:



Appendix 1 records all the risks that were prioritised within a risk register format and provides the detail of each risk.

Appendix 2 shows the attendees at the workshop.

Next steps – action planning

For each of the risks above the appetite a risk owner has been identified. This is shown in appendix 1. It is their responsibility to ensure that an action plan is developed that clearly demonstrates how the risk will be managed.

To support the action planning some of the risks can be clustered. This means that a number of risks can be managed via one action plan keeping the process streamlined and effective. The following risk cluster has been identified:

Funding streams

Risk Number	Description	Risk Owner
1	Don't get LEGI funding	Jonathan Phillips/ Dave Cathrall
3	Additional European funding is delayed	Dave Cathrall

Next steps – Ownership of the risk register

It is important that this risk register is owned at Block leadership level. If the group involved in developing this initial risk register is not that group then it is important that the register is reported to that group and that they have the opportunity to accept it or amend it as appropriate. The monitoring of the risk register should be at leadership level.

Next steps – monitoring

Monitoring of risks is two fold. Firstly the action plans to manage the risks should be regularly monitored as part of the overall performance management approach for the Partnership block.

Secondly, on a regular basis, the risks above and below the line should be reviewed in terms of their position on the matrix. This should be undertaken by all partnership members to ensure a complete view is expressed and all concerns are picked up. During this review there should also be an opportunity for new risks to be identified and prioritised.

Next steps – escalating risks to the strategic level - Oldham partnership

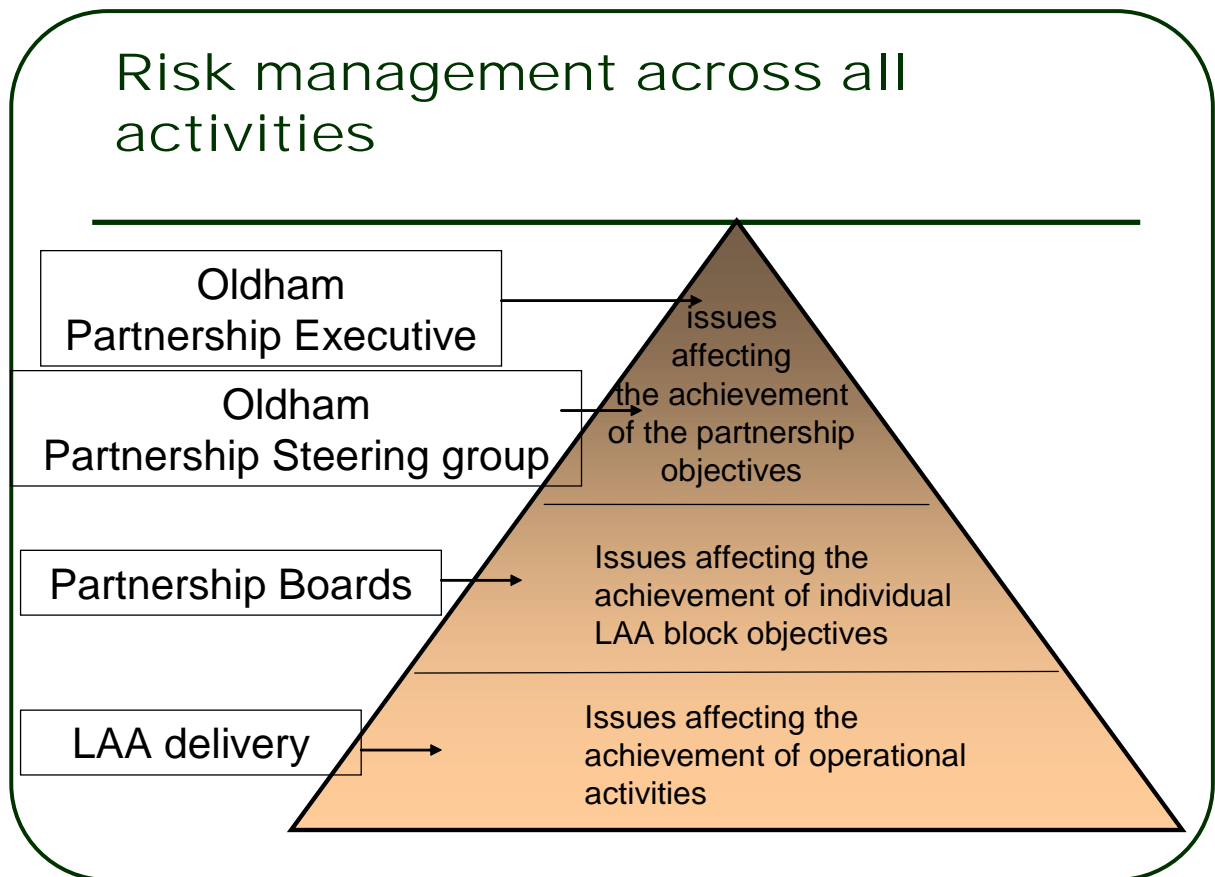
At the moment there are no processes for the individual blocks to escalate their top risks to the strategic level of the Oldham partnership.

It is important that through this exercise the top risks facing each block are reported to the Oldham Partnership steering group for their consideration. This will allow the steering group to decide which of the risks they should manage on behalf of the blocks and which risks should continue to be managed by the

blocks. The risks that the steering group manage on behalf of the blocks will form the strategic risk register for Oldham Partnership. The steering group will also have the opportunity to add additional risks if appropriate. Oldham Partnership will then have its own strategic risk register highlighting risks affecting the partnership as a whole.

It is important that this process is repeated on a regular basis either six monthly or annually to ensure the strategic risk register for Oldham Partnership is reviewed and updated.

The following diagram highlights the risk management hierarchy:



UUUUUUAppendix 1 – Economic Development and Enterprise LAA risks above the appetite

Risk Number	Risk Score	Risk Description	Vulnerability	Trigger	Consequence	Risk Owner
8	Very high/ catastrophic	Insufficient validated information to effectively prioritise and target effective delivery of services	Managing and sharing information from partners is difficult. It is difficult to establish stretched targets as data is either unreliable or not available. Some partners hide behind data protection act. There is better intelligence and information now but external stakeholders may question this perception problem.	Insufficient validated information to effectively prioritise and target effective delivery of services	<ul style="list-style-type: none"> • Information for decision making is not robust • Unable to effectively prioritise • Credibility is questioned • Criticism about failure to target sufficiently • Efficiencies lost • Lack of joined up approach • Govt office have lack of confidence in the robustness of the information • Govt office criticism 	Jon Bloor
4	Very high / Critical	Regional policy direction does not meet local need	Funding bodies tend to be silo minded. National and regional agenda's and priorities and initiatives don't always support the joined up approach that is trying to	Regional policy direction does not meet local need	<ul style="list-style-type: none"> • Maintains silo delivery • Lose added value and benefit of partnership working • Reduced 	Tom Flannagan

			be delivered locally. Funding nationally and regionally doesn't always match local need.		<p>engagement with local communities</p> <ul style="list-style-type: none"> • Limited scope for change • Frustrations from partners 	
7	Very high / Critical	Reduced support to businesses and part of the economy won't receive any support	Business support from April 07 will be at regional level and website based rather than at sub regional level. 1:1 service with businesses will change to website and call centre support. Six areas of business growth to be supported have been highlighted and two of these don't fit into the local Oldham economy. Some of areas of business may be excluded from support and others it may be limited	Reduced support to businesses and part of the economy won't receive any support	<ul style="list-style-type: none"> • Reduced number of start up companies • Increased failure rate • Start up's in some areas but not in deprived areas • Overall culture not changed • Reduced economic growth • Job creation not improved • Reduced investment 	Donna
1	High/ Critical	Don't get LEGI funding	Enterprise development is relying on one funding source to fund the project - Local enterprise growth imitative. A grant application has been	Don't get LEGI funding	<ul style="list-style-type: none"> • Delays in delivery • Reduction in programme of activities • Business support 	Jonathan and Dave

			submitted but there is lots of competition for the funding. It will be used to drive the existing programme in schools forward. It is possible to apply again in 12 months if unsuccessful.		<p>limited</p> <ul style="list-style-type: none"> • Enterprise in school program is reduced • Culture not changed 	
2	High/ Critical	Failure of one of the outcomes	All the outcomes are interlinked and rely on each other to be successful. The aspiration is to change the 'economy' of Oldham and related skill base.	Failure of one of the outcomes	<ul style="list-style-type: none"> • Restricts opportunities • Inter-related impacts don't flow through • Jobs not created • Skills not developed • Narrowing the gap doesn't occur 	Tom Flannagan
5	High/ Critical	Lack of operational support from key partners	The target for getting IB claimants into work is owned by job centre plus. The partnership needs this partner to be effective and to understand their roles and objectives. There are pressures on partners from lots of directions and it's important that there is organisation wide buy in and not just individual	Lack of operational support from key partners	<ul style="list-style-type: none"> • Expectations from staff on the ground is different to the high level buy in • Lack of understanding about the operational role v strategic role • It's like pushing water up hill!! • Increased difficulties in delivering 	Alison Wells

			buy in to the partnership.		<ul style="list-style-type: none"> • Missed opportunities • Package to clients is not as effective • Not a seamless service 	
9	High/ Critical	Insufficient employment quality land / sites available for development	There is increased pressure on employment land for residential use. It needs to be agreed through the planning process to release this land. Following the HMR this likelihood has increased. Capital value of residential land is higher therefore more attractive.	Insufficient employment quality land / sites available for development	<ul style="list-style-type: none"> • Lose investors • Limited growth in the area • Economy stagnates 	John Mitchell
10	High/ Critical	Can't attract high growth business into the area due to high cost of refurbishment.	There are a significant number of inappropriate buildings and employment sites in inappropriate areas surrounded by houses. A recent heritage study request the status quo is maintained. It is not practical to expect businesses to spend the money to do them up.	Can't attract high growth business into the area due to high cost of refurbishment.	<ul style="list-style-type: none"> • Buildings not fully utilised • Investment lost • Jobs not created • Economy stagnates • Targets not achieved 	John Mitchell

3	Very high/ marginal	Additional European funding is delayed	The block is exploring other funding opportunities. European funding starts 2007 on paper but only the culture programme is up and running. Bulk of the programmes will not be ready to start by January. Likely to be March before application begins. They will be transnational projects.	Additional European funding is delayed	<ul style="list-style-type: none"> • Difficult to plan for funding • Narrows the focus • Doesn't extend activity into LEGI • Projects delayed/ halted • Limited progress 	Dave Cathrall
6b	Significant / critical	Lack of succession planning within the partners	There are key individuals within the partnership with too few people driving it forward. There is limited involvement from some partners putting a dependency on individuals.	Lack of succession planning within the partners	<ul style="list-style-type: none"> • Delays in delivery • Revisit discussion • Different approaches taken • Progress limited • Gaps in delivery 	Tom Flannagan and chair

Risks below the appetite

Risk Number	Risk Score	Risk Description	Vulnerability	Trigger	Consequence
11	Low / negligible	Lack of joint working across the blocks	Cross block prioritisation is needed in terms of delivery e.g. security for businesses. Block leads do meet but it may be better to include other people. There is a need to	Lack of joint working across the blocks	<ul style="list-style-type: none"> • Duplication of effort • Contradictions • Expectations that it

			understand how all the blocks interlink.		<p>happens elsewhere</p> <ul style="list-style-type: none"> • Missed opportunities • Lost efficiencies
6a	Very low, negligible	Lack of succession planning within the block team	There are key individuals within the partnership with too few people driving it forward. There is limited involvement from some partners putting a dependency on individuals.	Lack of succession planning within the block team	<ul style="list-style-type: none"> • Delays in delivery • Revisit discussion • Different approaches taken • Progress limited • Gaps in delivery

Appendix 2 – List of workshop attendees

Tom Flanagan	Executive Director – Regeneration
Jonathan Phillips	Corporate policy – OMBC
Jon Bloor	Corporate policy – OMBC
Jit kara	Finance – OMBC
Alison Wells	Corporate policy – OMBC
Carol Hopkins	Chamber of commerce
Louise Slater	Regeneration officer
Dave Cathrall	External funding officer –OMBC
Phil Higgins	Internal audit – OMBC
Stephen Young	Performance team - OMBC

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