Managing Risk
Brean Parish Council

Guidance
2008

Brean Parish Council
Risk Management

1. What is it?

2. Why is it important?

3. Who is responsible?

4. How does it work?

Risk Management

1. What is it?

*"It's how you can identify hazards,
and the risks they pose,
then put in place actions to treat them."*

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2. Why is it important?

- Risk is the hidden danger in all professions.

- It's a priority requirement by Government

- It can be used to help eliminate, or control, everyday work problems.
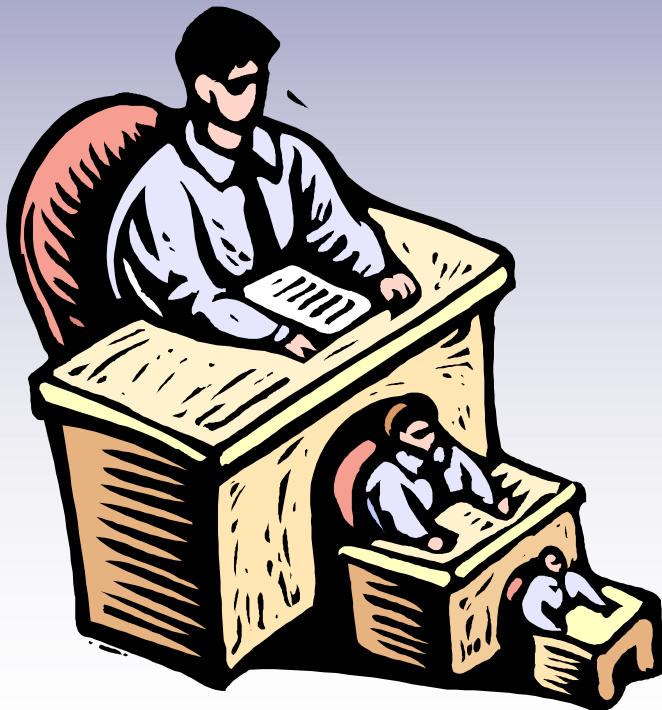
Risk Management

3. Who is responsible?

Brean Parish Council - For the Strategic direction

Relevant Individuals -   For the Services that fulfil the
objectives of the Parish.

but ultimately it's

Everyone!

Risk Management

4. How does it work?

By working on the 4 C's (building blocks) of Risk Management:

Control

Communication

Culture

Commitment

Risk Management

Commitment….

being accountable is the name of the game –
everyone <u>MUST</u> believe in it and accept it.

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Simply put: -

û   "It's OK, we're insured"

Ü   We're looking at something new, lets look at what could go wrong and do something about it"
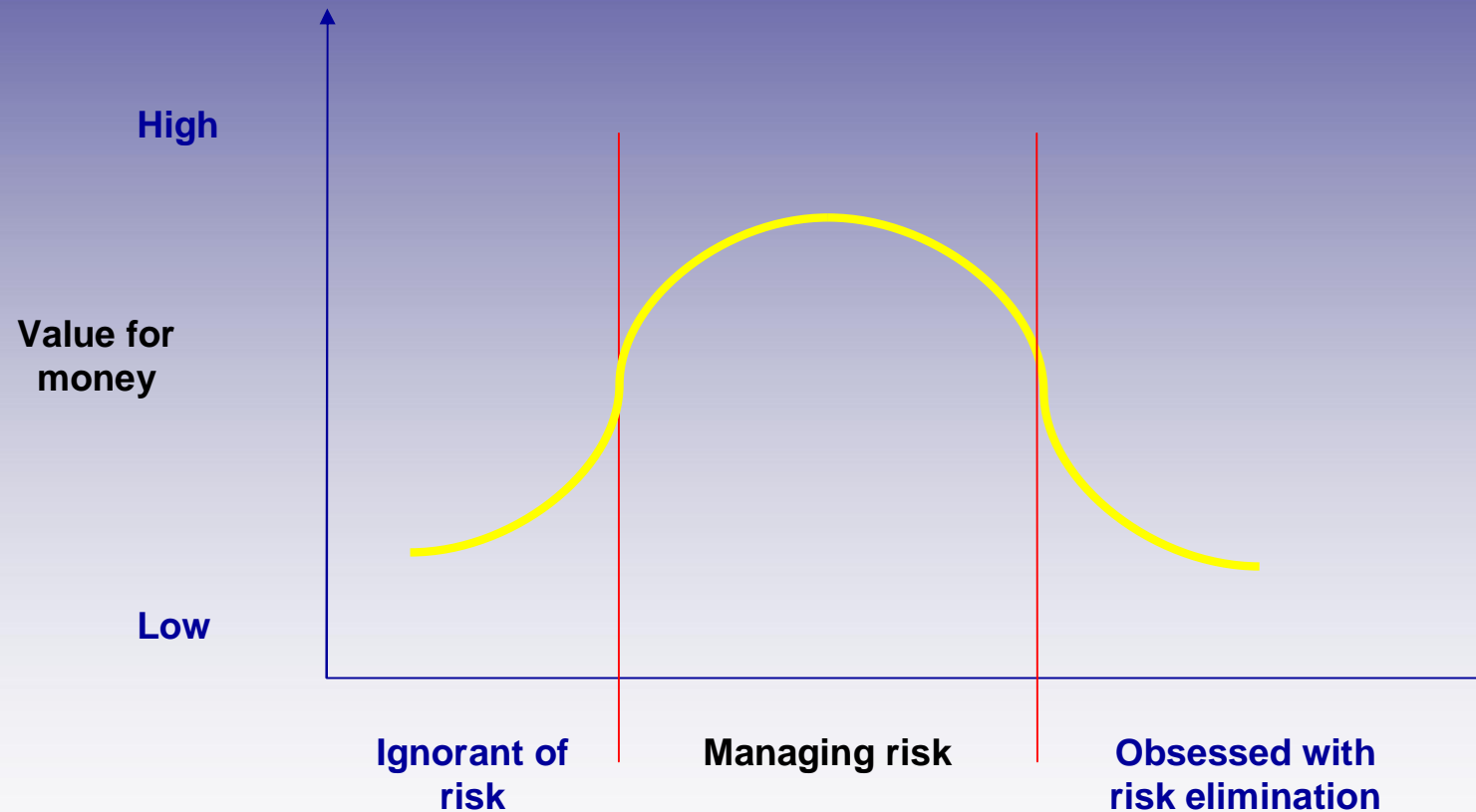
… we work together using knowledge and experience

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Everyone needs to be aware of their responsibilities. This can be achieved through:

- Training

- Regular up to date information/awareness media

- Seminars and meetings

- Forums

- Technology (e.g. email)   &

- Consultation (with Public, Partners, etc.)

Risk Management

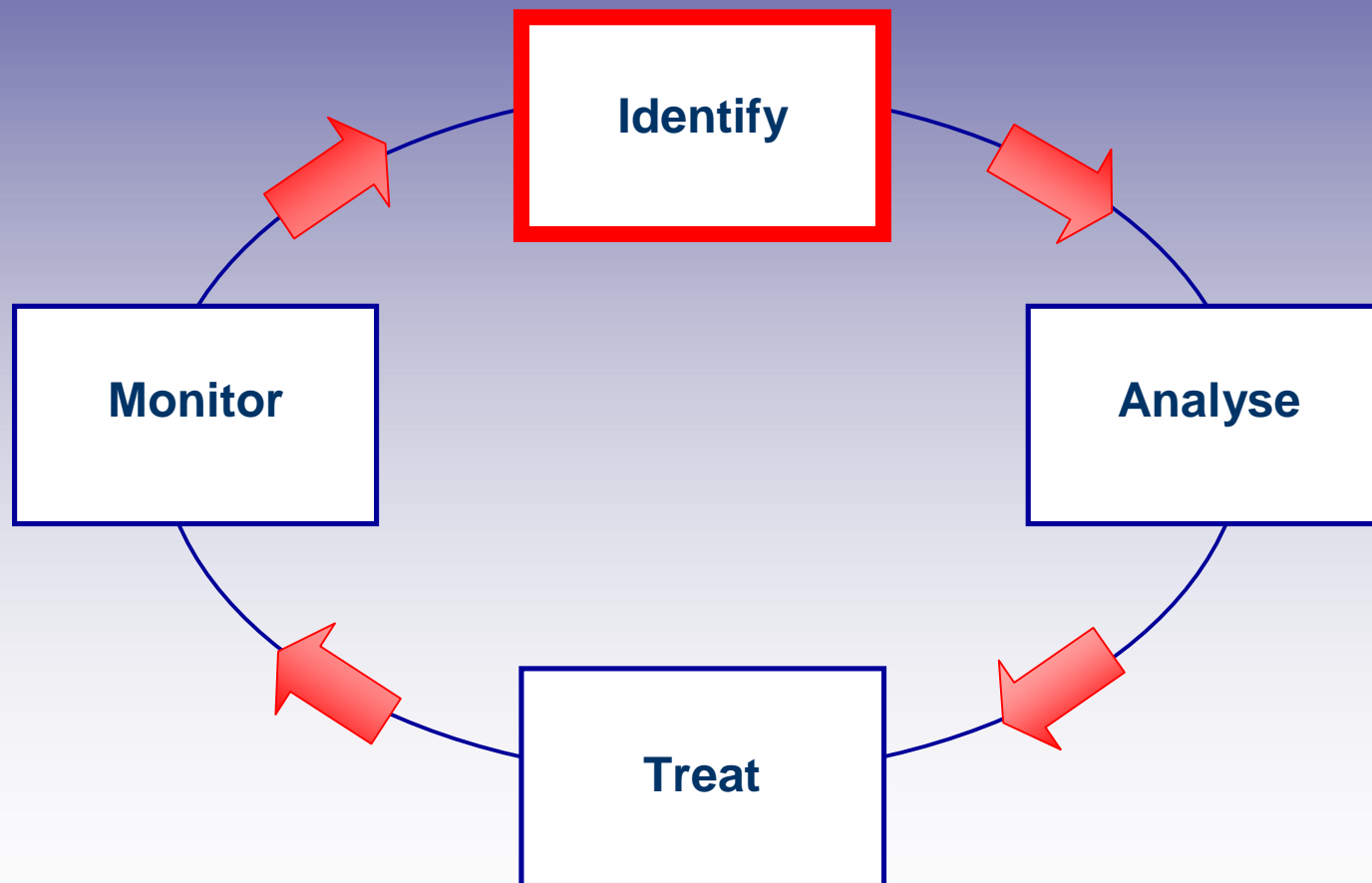## Brean Parish Beach OBJECTIVES FOR 2008/9:

Example list:

§ To keep the beach Safe

§ To keep the beach clean

§ To provide support and advice to all beach users

§ To maintain relevant and current staff training – i.e. Organisational Development.

Identify | Analyse | Treat | Monitor

Risk Management – Risk Register:

EACH HAZARD:

ABOUT YOU

Group: Brean Parish Council

Name: Paul Hellend

Today's Date: 01/07/2008

ABOUT THE HAZARD

No. 1 **Other Ref:** N/A

Which Category(s) would it fit into:

Strategic - Legislative

Strategic - Physical

Description: Failure to clean beach – accident to beach user

WHAT ARE YOU DOING ABOUT THE RISK

Existing Control Measures

Beach Warden patrols – beach cleared daily and records kept of times cleaned – inc. any comments

Action

Likelihood	1 - Low	**Target Likelihood**	1 - Low
X		X	
Impact	2 - Marginal	**Target Impact**	2 - Marginal
=		=	
Rate	2	**Target Rate**	2
Is there any Financial Impact?	£10K - £100K	**Action Date:**	N/A

LINKS

Objective: To keep the beach clean

To keep the beach safe

Performance Indicator: No Direct Link

No Direct Link

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Welcome to your

Risk Register Database

Firstly, please sign in

1. Change the existing name to yours under the field 'Name'
2. Close the table by clicking the 'X'
3. Click the YES button to save the changes

This simply allows you to view and print YOUR OWN Risk Register

Enter a new hazard

Edit an existing hazard

View and Print your own Risk Register

Save and Exit

e can only be used by one person at a time!

What to do on your risk register:

Look for these boxes - 'cause they'll guide you through it all the way!

Sign in and choose *Enter a new risk.* Now enter your **Group, Name** and the **Date.**

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Identifying the hazards:

A HAZARD is something that can 'cause harm'.

Some hazards are obvious to list, others are hidden. There are a couple of ways to help you identify hidden hazards. You could:

1. Ask yourself what's your objective? & what's stopping you from achieving it?

2. Carry out a **S.W.O.T**. Analysis (**S**trengths, **W**eaknesses, **O**pportunities and **T**hreats)**.**

From your list, do the hazards represent Strategic or Operational risks? - examples are given on the next couple of slides.

What to do on your risk register:

With your group, answer the questions, or look at the Weaknesses and the Threats from your S.W.O.T. Analysis. Identify any hazards and record them individually in the **Description** box. Select a **Category** that your hazard best fits into.

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Identifying the hazards – Categories:

Strategic
(affect the medium to long term goals)

Competitive - Best Value, benchmarking

Customer related - meeting needs, reputation, etc.

Economic - pressures on budgets

Environmental - energy, pollution, recycling, etc.

Legislative - National/European law

People – Staff absence, recruitment, etc.

Political - failure to deliver policy

Social - changes in social trends

Technological – trouble keeping up and failure.

Operational
(you'll face daily in your business)

Contractual - breach of contract, etc.

Environmental - pollution, energy, etc.

Financial - planning and control

Legal – breach in law, etc.

People – Stress, workload, etc.

Physical - H & S, fire, security, etc.

Professional - keeping up to date,etc.

Technological – reliance on IT.

Programme
(any hazards associated with a particular project/contract)

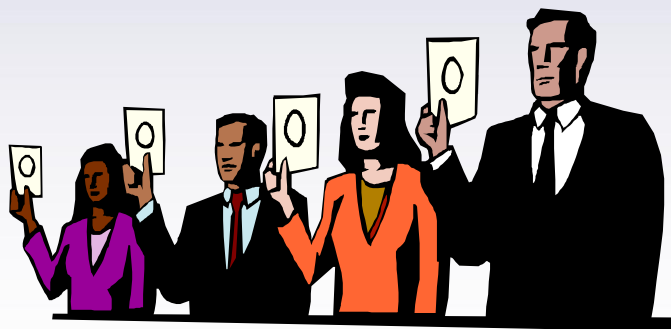You could use the **Strategic** and **Operational** examples as guidance.

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Identifying the hidden hazards - examples:

Workload, sickness & staff morale

Keep up to date - journals, law and contracts

Reputation

Training

PLANNING AH EAD

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Identifying more hidden hazards:

- Inadequate resources (people, money or the right equipment to do the job)

- Increasing Staff absence (sickness - increased workload / low morale)

- Partnership working (trust and acceptance of who does what)

- Changing working methods (inadequate resources to meet changes)

- Lack of contingency planning (plan for what could go wrong)

Examples of Risk Management in practice -

- Beach Warden Patrols
- Updated public warning signage
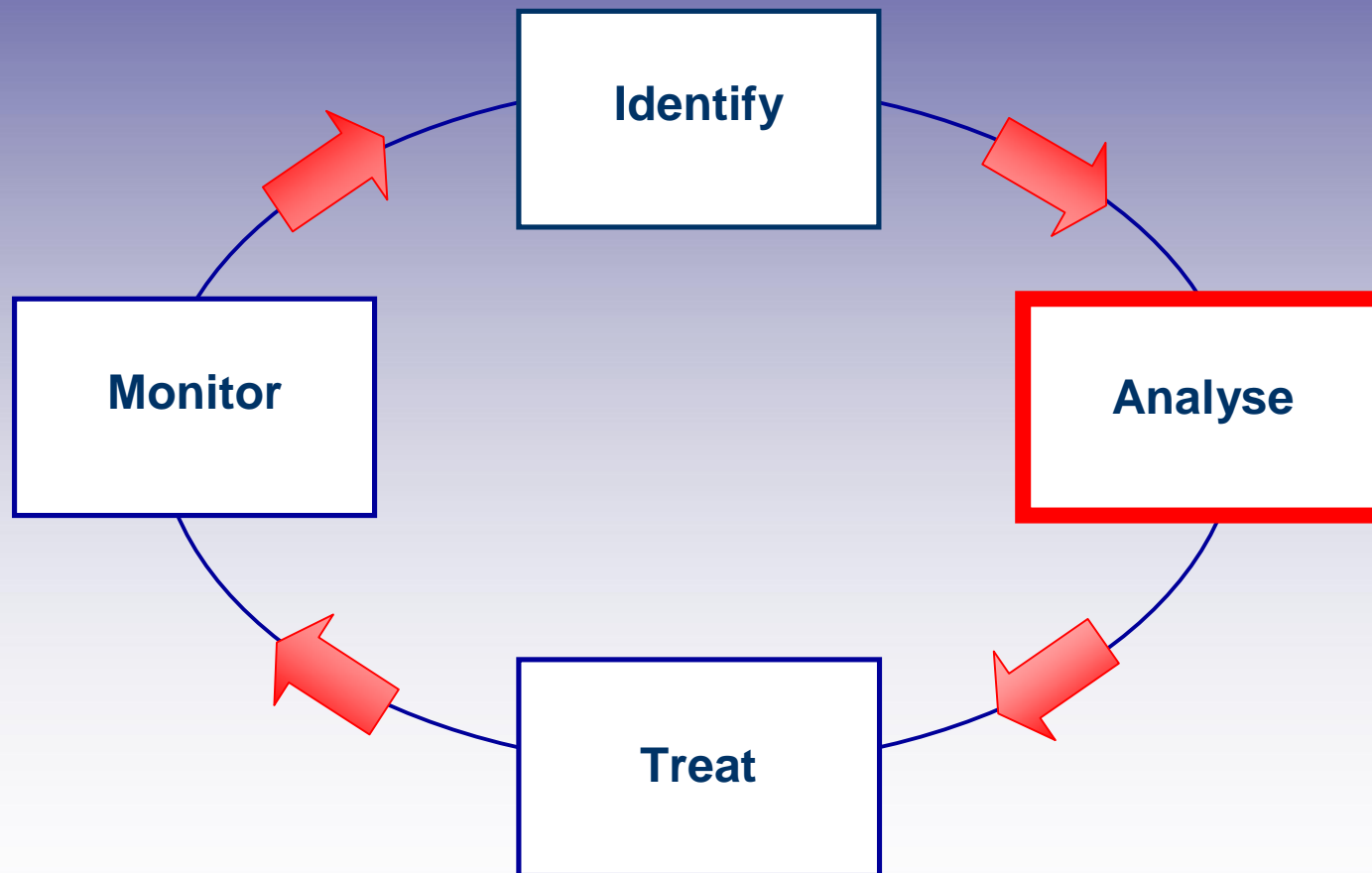
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Analysing the risks - rating
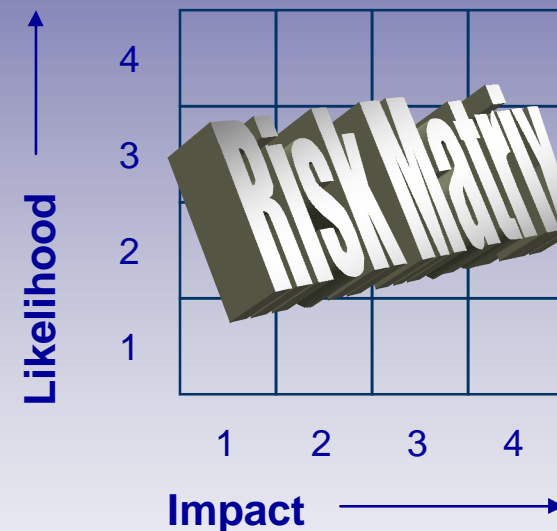
Risk **= likelihood x impact**

(Rate = likelihood score x impact score)

Likelihood

score

1 – Low

2 – medium

3 – high

4 – very high

Impact

score

1 – negligible

2 – marginal

3 – critical

4 - catastrophic

Risk Matrix

Likelihood (4, 3, 2, 1) — Impact (1, 2, 3, 4)

What to do on your risk register:

What's the **likelihood** of the hazard happening? And what effect will the **impact** have? Choose the relevant score for each from their own boxes. The **Rate** is then simply the two scores multiplied together – choose the right number to complete the box.

Now choose a **Financial Implication** (if any) from the options available. Need guidance on likelihood and impact?….

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Analysing the risks - rating

… how do I know what 'low' or 'catastrophic' means?

LIKELIHOOD:

score	chance of it happening	planning timescales
1 (low)	<9%	Not anticipated – no experience of the hazard in Brean or similar Authorities.
2 (medium)	10% to 24%	Probable within a forthcoming planning cycle (e.g. future business plan).
3 (high)	25% to 49%	Probable within the next planned cycle (e.g. next year's business plan).
4 (very high)	>50%	Very probable within this planning cycle (e.g. this year's business plan).

IMPACT:

score	financial	reputational	outputs/objectives	life and limb
1 (negligible)	<£10k	no media attention/minor letters	<5% not met. No effect on objectives	sticking plaster issue
2 (marginal)	£10k to 100k	adverse local publicity	6-10% not met. Temp. impact on one/two objectives	broken bones/illness
3 (critical)	£101k to £1m	adverse national publicity	11-25% not met. Temp. impact on all objectives	long term hospitalisation
4 (catastrophic)	>£1m	remembered for years!	>26% not met. Stat.duties not delivered	fatal/major illness or disablement

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Analysing the risks – risk matrix

Likelihood				
4	Acceptable (4)	Acceptable? Your Choice! (8)	Unacceptable Urgent (12)	Unacceptable Very urgent (16)
3	Acceptable (3)	Acceptable? Your Choice! (6)	Unacceptable Urgent (9)	Unacceptable Urgent (12)
2	Acceptable (2)	Acceptable (4)	Acceptable? Your Choice! (6)	Acceptable? Your Choice! (8)
1	Acceptable (1)	Acceptable (2)	Acceptable (3)	Acceptable (4)
	1	2	3	4

Impact

… but how will I know when to act or simply do nothing?

Risk as a simple equation (R =L x I).

Use the Matrix as guidance on <u>when</u> to take action.
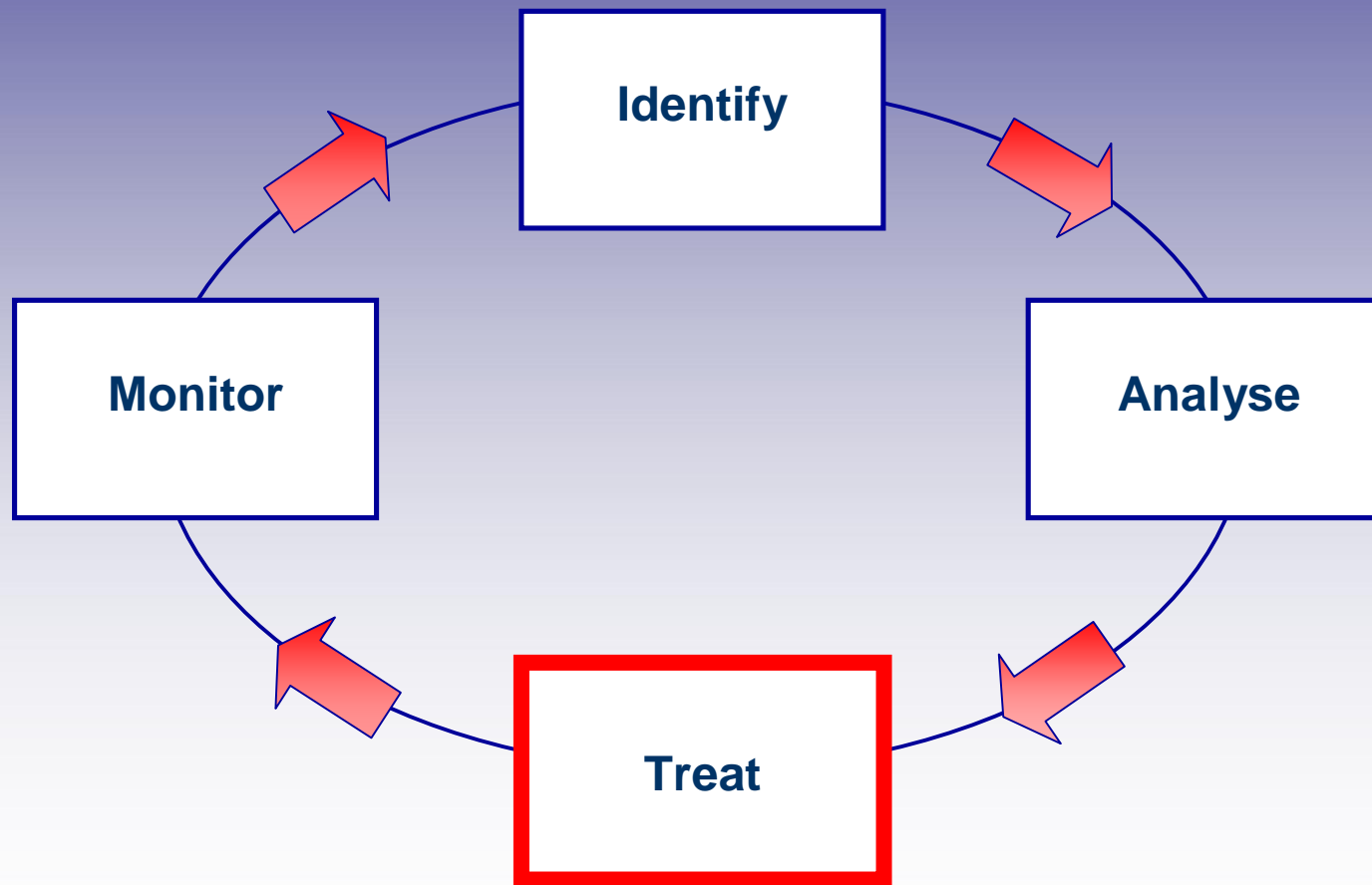
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Treating the risks:

What choices do we have?

- **Terminate** the activity.

- **Control** measures put in place to manage the risk.

- **Pass** the risk on to a Partner or Provider.

- **Accept** the risk and make an informed decision to do nothing (but record it!).

Any new objectives, or changes to existing ones
should be identified, analysed and treated.

What to do on your risk register:

By looking at the above, do you already control the risk you've identified? – if so, fill in the **Existing Control Measures** box. If not, or if you think more can be done, fill in the **Action** box with what you propose to do. Now choose your **Target Likelihood, Target Impact** and **Target Rate** and enter an **Action Date**.
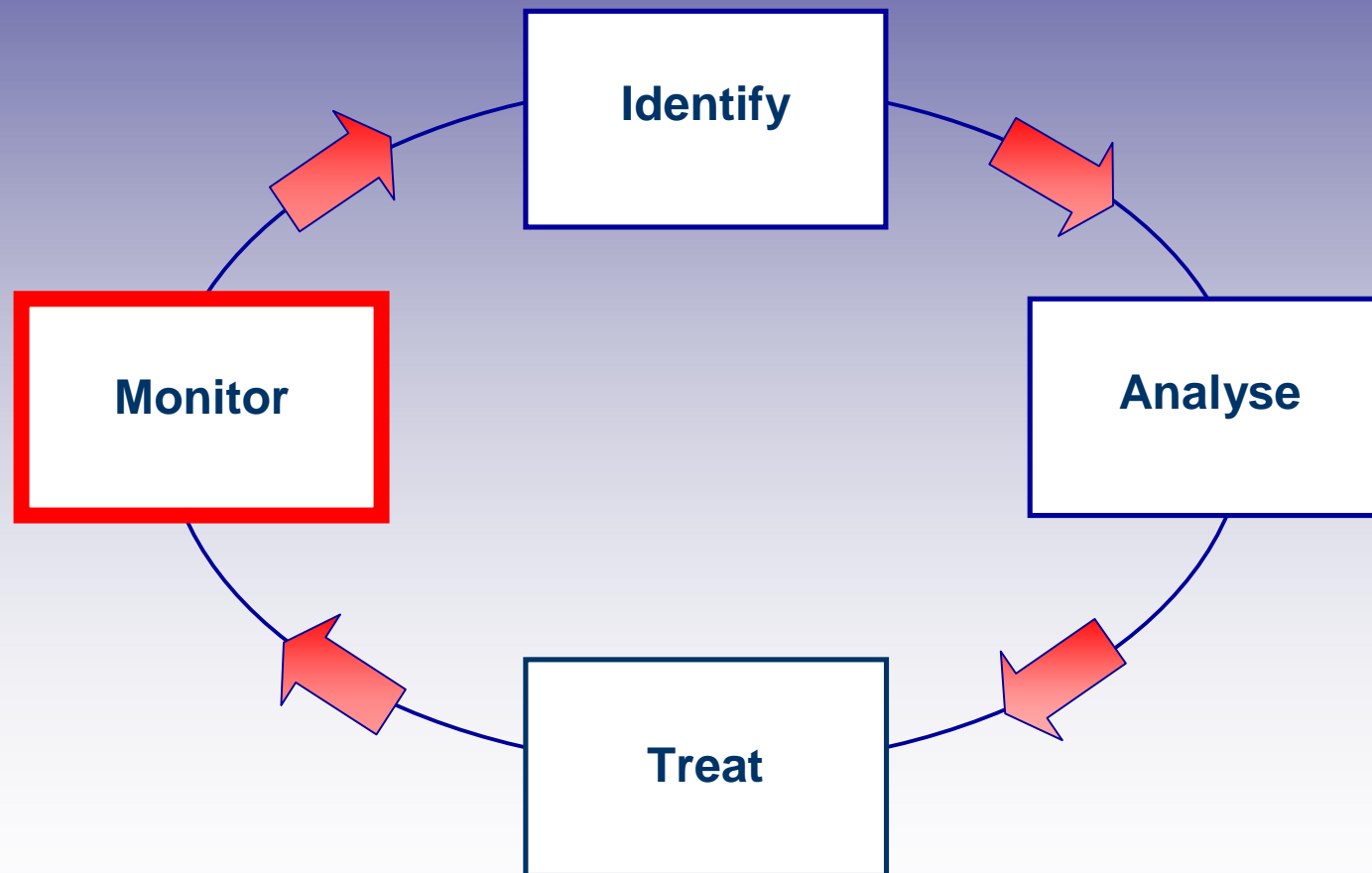
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Monitoring the risks:

- Brean Parish Council – via an annual review of risk management

- Brean Parish Council –progress on actions discussed as part of a monthly agenda item.

- Control measures and Actions for each Risk will be recorded and available for audit on the **Risk Register Database**.

What to do on your risk register:

You're almost there! – we now need to show where there are links with the Council's **Objectives** and **Performance Indicators** – choose from the appropriate options available. To save and return to the main menu simply close the window.
You can now edit risks you've put in & view and print your Register, Actions & Progress.

Remember – Any new objectives or changes should be risk managed.

Risk Management

Any Questions?