

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Overview and Scrutiny
Committee – 12 November 2009

Subject: Manchester Partnership – Risk Management

Report of: Chief Executive
City Treasurer

Summary

The purpose of this report is to provide the Resources and Governance Overview and Scrutiny Committee with progress on the work that is being undertaken within the Manchester Partnership to manage risk.

Recommendations

The Resources and Governance Overview and Scrutiny Committee is requested to note the progress being made and the approach being taken with regards to the further development of risk management within the Manchester Partnership.

Wards Affected:

All

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Background documents (available for public inspection):

None

1. Introduction

- 1.1. The purpose of this report is to provide the Resources and Governance Overview and Scrutiny Committee with progress on the work that is being undertaken within the Manchester Partnership to manage risk.
- 1.2 Risk is managed at different levels. At the highest level the Manchester Partnership identifies strategic risks that are then cascaded down to the thematic partnerships that also identify, evaluate and manage their own risks. At the detailed level, all of Local Area Agreement (LAA) indicators that are reviewed by the Partnership are subject to a risk management process.

2 Background

- 2.1 Partnerships are an essential part of public sector working with all organisations being involved in, and reliant on, a myriad of complex partnership arrangements to help deliver services and key objectives. Given the complexity of partnership arrangements and the different approaches and cultures of the organisations involved, partnerships involve inherent risks alongside the potential rewards of working together. This is increasingly being recognised and the Manchester Partnership is working hard to strengthen partnership risk management arrangements to help ensure the successful delivery of Manchester's Community Strategy, and its three year delivery plan, the Local Area Agreement.
- 2.2 The embedding of risk management is difficult. This presents a further challenge when working in partnership as the consistent understanding of roles, responsibilities and accountabilities that should exist within a single organisation are not always as clear in a partnership context. The Manchester Partnership brings together representatives from a diverse range of organisations across the City, each with their own approach to risk management. One of the key challenges for the Manchester Partnership has therefore been the development of a consistent view and approach to the identification, evaluation and management of risks to the achievement of the Local Area Agreement and Community Strategy.
- 2.3 As a result, progress in the development and embedding of risk management is at different stages across the partnership. This report sets out the current position and proposals to support the Manchester Partnership in the further development of its approach to effective risk management.

3. Strategic Risk Management for the Manchester Partnership

- 3.1 Risk Management is an important aspect of the Comprehensive Area Assessment (CAA) process with public sector bodies expected to demonstrate that partnerships embed risk management as a management tool, for example as part of setting priorities, policy making, financial planning and performance management.

- 3.2 In 2008 the strategic risks to delivery of the Community Strategy were identified by the Public Service Board (PSB). Risks were prioritised and this resulted in thematic partnerships being asked to focus on the following in their own risk management:
- Understanding the impact of the contributions of all public bodies to the partnership
 - Openness to best practice in other places / sectors
 - Continuity of partnership delivery when key personnel change
 - The current economic situation and its impact
 - The relationship between the partnership and the wider sub region
- 3.3 The PSB agreed that the key strategic partnership risks would be assessed and managed through the thematic partnerships and the Manchester Partnership Management Group. This assessment and management is ongoing and the Management Group is now responsible for reviewing and reprioritising risk effectively and considering whether any new risk areas need to be identified and brought to the attention of the PSB.
- 3.4 The thematic partnerships each complete a quarterly risk assessment against the issues listed in 3.2 above which includes the action that each is taking to mitigate the risks. This information is now included in the LAA performance reports presented to the Manchester Partnership on a quarterly basis.
- 3.5 The 2009 CAA process has been concluded and as such this presents an ideal opportunity to now refresh the Partnership's risks so that they remain current, relevant and drive forward the areas for improvement identified through the CAA.

4. Risk management at thematic partnership level

- 4.1 In addition to managing risk at strategic level thematic partnerships are also now undertaking work to identify and manage thematic specific risks. Thematic partnerships are at different stages of developing their risk management arrangements but have all made progress in developing approaches for the identification and management of risks, the detail of which is set out below.

4.2 The Employment, Skills and Enterprise Partnership

- 4.2.1 The Employment, Skills and Enterprise Partnership Board identified four key risks during the development of its action plan. Performance and risks to performance are regularly reviewed through the Performance Group which is a sub group of the Board and makes recommendations to it. A manager has responsibility for maintaining an overview of the risks identified in this partnership.

4.3 The Crime and Disorder Reduction Partnership

4.3.1 The Crime and Disorder Reduction Partnership has identified a number of risks that are included within the Crime and Disorder Business Plan. These relate primarily to reductions in future funding. The following identifies the different types of risk identified by the partnership and how they are escalated through the Crime and Disorder Partnership structures for action:

- **Managing Project Risk** - Integral to project management within the crime and disorder service. Project risk is identified through the Manchester Model methodology. All mainstream projects are formally reviewed and risks identified that cause concern are escalated to the senior management team, commissioning group, or ultimately the Performance Board
- **Managing Performance Risk** - Risks to performance are identified through crime analysis and raised at the Partnership Business Groups for consideration. Risks to the achievement of performance are identified by the Performance Co-ordinator and reported to the Performance Board on a bi-monthly basis
- **Business Continuity Risk** - Crime and Disorder has a recently updated business continuity plan which identified the service response to the risk of business disruption
- **Business Planning and Risk Management** - All senior management meetings and departmental finance meetings are focussed upon risk and all senior managers contribute to the analysis of risk in the business plan. The management of these risks is regularly reviewed and contingency plans discussed.

4.3.2 As part of a review of existing risk management processes the Crime and Disorder management team have had refresher training in the Council's corporate risk management methodology. This has highlighted the following opportunities to strengthen the existing risk management practice within the service:

- To run a risk workshop for the service to support a shared understanding of key issues. This workshop is planned for December 2009
- Business plan risks will be formally reviewed bi-monthly at senior management team level except where risks are assessed as requiring a more frequent review.

4.4 The Adult's Health and Wellbeing Partnership

4.4.1 The Adult's Health and Wellbeing Partnership is developing a new risk management framework. Currently, all Programme Leads ensure that risks are analysed and managed through the relevant corporate risk management frameworks within NHS Manchester and Manchester City Council. The Board has recently approved a proposal to adopt a new process for risk analysis and management, which brings together the management of Partnership risks and requires all Programme Leads to identify and report relevant risks to the delivery of partnership objectives to the Board. The Board will undertake a regular assessment and review of the register and take forward actions as

required, in line with the Corporate Risk Management framework. Further work to develop the risk register will take place by early in 2010.

4.5 The Children's Board

- 4.5.1 The Children's Board has undertaken a risk assessment but this will be refreshed when the new Children and Young People's Plan which is currently out for consultation is agreed. Risks will then be monitored on a quarterly basis as part of the Board's performance management process. The organisations that are represented on the Board have their own organisational plans and also their own risk management processes, which underpin the risk reporting to the Children's Board.

4.6 Sustainable Neighbourhoods Partnership

- 4.6.1 The Sustainable Neighbourhoods Partnership (SNP) has established a risk register and is managing this by identifying 'risk owners' for the nine top risks. Risk is a substantive agenda item at every other SNP Performance Management Board meeting. Risk owners are expected to prepare a short presentation relating to their risk for further discussion and take appropriate actions in between meetings.

4.7 Cultural Partnership

- 4.7.1 The Cultural Partnership has identified a number of risks through its thematic action planning. The partnership has a number of standing items that are used to assist partners in managing these risks. At each meeting there are agenda items on the current economic situation so that the partnership can report any current or emerging difficulties. The Working Neighbourhood Funding (WNF) programme is reported quarterly to the partnership so that any risks in the delivery of the programme are highlighted and actions agreed.
- 4.7.2 The partnership review of the cultural strategy and the review of structure and membership is an on going process which is reported at each partnership meeting. This review will be completed by April 2010.

5. Assessment of risk to performance for Local Area Agreement indicators

- 5.1 Arrangements for assessing risks to the achievement of the Local Area Agreement (LAA) indicators were introduced from 1 April 2009 to strengthen performance management arrangements. The LAA indicators and assessments of risk are reported through the Partnership structures, to the Councils' Strategic Management Team and to Resources and Governance Overview and Scrutiny Committee on a quarterly basis. A method for risk rating every LAA indicator each quarter has been put in place. This provides every indicator with a risk rating, based on a number of different factors covering improvement planning and delivery, capacity and risk mitigation. This risk rating can then be used to identify which indicators are at high, medium or low risk of failing to achieve the annual target. The risk rating is being used

alongside the performance figures to establish which indicators require further analysis or action.

- 5.2. In addition, the Council is carrying out its own data quality self-assessments for the LAA indicators. These self-assessments are being used as a basis for risk scoring against data quality, which will provide LAA indicators with a data quality risk score. These risk scores for data quality will also be reported alongside performance figures in future quarterly performance reports giving managers an indication on the accuracy and reliability of the performance information being used to make decisions. This will be introduced from quarter two with this report available by December 2009.
- 5.3. This approach of managing risks to the successful delivery of indicators helps ensure issues are identified early and appropriate timely action can be taken to address risks that could impact on the achievement of the LAA.

6. Future developments

- 6.1 As set out above, progress has been made in the development of risk management at all levels of the Manchester Partnership and LAA. The creation of a partnership risk register and more recently the risk assessment of all LAA indicators are positive steps in the embedding of a risk-based, partnership approach to the delivery of the Community Strategy.
- 6.2 There is scope to further embed risk management. PSB and thematic partnerships will continue to be supported and engaged on this basis. The following proposals have been developed to drive this process forward over the next 12 months:
- Adaptation of the Council's own corporate risk management training programme for delivery to Thematic Partnership Management Teams and support to the thematic partnerships in the ongoing development of their own risk registers with agreed action plans
 - Facilitation of a refresh of the Manchester Partnership risk register following the formal reporting of the results of the 2009 CAA.
 - Linking risk management within the programme of performance management work that is currently being developed.

7. Recommendations

- 7.1 The Resources and Governance Overview and Scrutiny Committee is requested to note the progress being made and the approach being taken with regards to the further development of risk management within the Manchester Partnership.