**Assessing risks in partnership working**

All activities come with risks. Sometimes just the thought of risk can be enough to deter participation - but risks also come with benefits. Being able to clearly and honestly assess risks at the outset, and then being able to monitor and manage them during a partnership or project can significantly increase the likelihood of success. It can also enhance partnership working by building trust and mutual respect. See [**Relationship Management**](http://www.familyandchildcaretrust.org/relationship-management-toolkit) for more information about working together and [**What a partnership might look like**](http://www.familyandchildcaretrust.org/sites/default/files/What%20is%20a%20blended%20model%20and%20why%20take%20this%20approach.docx) for more information on partnership approaches to delivering the extended free entitlement for three and four year olds (EFE). When thinking about risks, it is also useful to remember and identify the benefits associated with the partnership, activity or project as these can often outweigh or offset any risks.

In relation to the EFE and a mixed partnership model approach to delivery, risks areas could include:

* Governance – strategic direction of the partnership, aims and principles etc.
* Service delivery – approaches, methods, take up, etc.
* Staffing – recruitment, turnover, skills, qualifications and experience, absenteeism etc.
* External factors – reputation, managing expectations, standards, regulation compliance and inspection etc.
* Internal factors – trust, relationships, expectations, funding, communication etc.

**Scoring Matrix**

For each risk, a score will be given, determined by the likelihood of the risk being realised and the impact of the risk if it does happen. The scoring matrix below shows how risks are “scored” and subsequently graded.

|  |
| --- |
| **Likelihood (1-3)** |
| Impact**(1-3)** |  | **Low** | **Medium** | **High** |
| **Low** | 1 | 2 | 3 |
| **Medium** | 2 | 4 | 6 |
| High | 3 | 6 | 9 |

1 –very low risk

2 – 3 – low risk

4 - 6 – medium risk

9 – high risk

# Control and mitigation systems

Once each risk has been identified and scored, consider what action(s) can be taken to control or mitigate the risk.

*Examples of governance risks and actions*

* **Accountability for actions within the partnership are unclear -** consider **partnership discussion** on leadership roles, how decisions are made within each organisation, (e.g. can they be made at meetings or do they need to be ratified by a management committee) etc. and consider writing down in a **memorandum of understanding**
* Parental take up unknown, consider doing a demand survey

*Examples of service delivery risks and actions*

* Parental response to delivery methods unknown, consider doing a focus group with small groups of parents
* **Children transferring between settings** may be at risk of becoming separated from their key worker – consider children wearing bright coloured, high visibility jackets and having additional members of staff

*Examples of staffing risks and actions*

* May not be able to recruit qualified staff to deliver increased capacity, consider apprenticeship approach with a teaching school partner
* Concern that a partner may ‘poach’ a member of staff, consider memorandum of understanding that sets out values and ways of working
* **High levels of staff turnover,** consider **partnership approach** which enables staff to work temporarily across providers

*Examples of external risks and actions*

* Risk that partnership approach may lead to confusion amongst external stakeholders, consider identifying key messages and agree communication strategy
* Ofsted may not understand the partnership approach, consider how this can be clarified e.g. memorandum of understanding, self-evaluation, parent contracts

*Examples of internal risks and actions*

* Role / purpose of the partnership unclear, consider memorandum of understanding that sets this out

Some questions to ask when considering risk control and mitigation:

* What are the cost and other resource implications of these actions?
* What are the major risks and what risks can easily be controlled?
* What are the overall benefits, to whom and do these outweigh the risks?
* Are there any risks that are outside our control?

Factors that you may need to take into account when assessing how risks can be controlled or mitigated include whether

* Exposure to the risk can be limited
* The risk can be avoided (e.g. by stopping doing the work)
* The risk can be transferred to a third party (e.g. to a trading subsidiary, outsourcing)
* The risk can be shared (e.g. by working in partnership)
* The risk can be reduced or eliminated (e.g. by establishing or improving control procedures)
* The risk can be insured against
* The risk is accepted as being unlikely to occur or if it does occur will have a low impact

**Net risk**

Once the nature of the risk and control systems are understood, the net or retained risk should be assessed. If this is still too high you may need to consider your situation and whether you wish to continue. Some considerations are:

* Can more be done to further reduce risk e.g. by changing something about the activity or approach until the risk is manageable?
* If the risk cannot be reduced and the activity cannot be changed you may wish to consider abandoning the activity – in doing so, individual organisations and/or the partnership as a whole should consider the benefits of the activity and the risks of NOT taking the activity forward

**Monitoring systems**

Having identified the risks, it is important that the partnership and individual organisations put systems in place to monitor the risks. Some considerations are:

* Reviewing control systems to identify whether they are working and if the risk is still there, and how great it is (is it increasing or decreasing?)
* Identifying individuals who have responsibility for specific risk identification, assessment, management, control and monitoring
* Reviewing risks – particularly those that have been identified as high risk - on a regular basis
* Undertaking an annual review of external factors and circumstances that may affect risk analysis