

# Risk Assessment and Risk Management

The existence of risk in most, if not all, activities is a fact of life. Traditionally, risk concerns the likelihood of loss, injury, disadvantage or destruction. In these terms, risk is seen as something negative. However, risk taking, in some contexts is seen as desirable, for example betting, sports, hang gliding etc.

Risk Assessment can be viewed in two ways:

- Comparing and balancing probable benefits against probable costs/hazards for each of the possible options being considered
- Considering what potential hazards or threats may occur whilst carrying out a particular set of activities or options and what impact that could have on the business

The management of risk follows the assessment of risk and should be a central component of managing the organisation. It involves taking carefully considered decisions against a background of risks that have been assessed. This will result in selecting options that will reduce the likelihood or impact that hazards or threats may have on the business.

In the course of delivering services, HIAs are exposed to numerous types of risk arising from many sources – financial, operational, political/regulatory or hazards.

HIAs can use risk assessment and risk management within the framework of their principles and values to make better decisions about future actions in an uncertain world.



- Risk Assessment ■
- Risk Management ■
- Risk Reduction ■
- Insuring Against Risk ■
- Health & Safety at Work ■

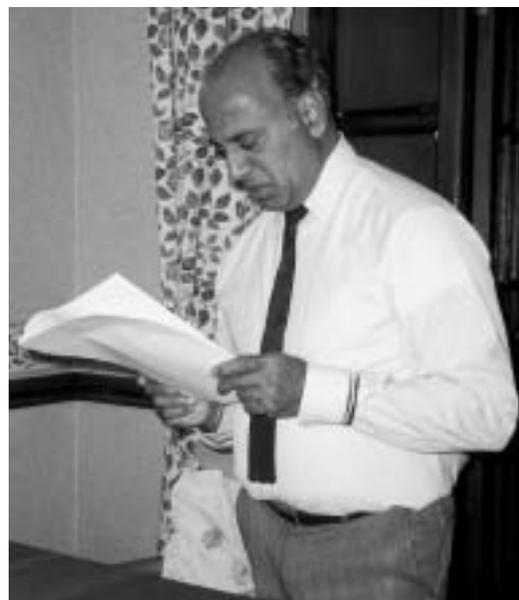
# 5 STEPS IN RISK ASSESSMENT

The principles of risk assessment and risk management are the same whether you are conducting a risk assessment for health & safety purposes or assessing the risk to the HIA when taking management decisions. Risk assessment principles rely on the relationship between the hazard (the thing that might happen) and the risk (the likelihood of it happening).

## STEP 1 – IDENTIFY THE HAZARD/RISK

This may be:

- A safety hazard, if conducting a Health & Safety Risk Assessment
- Funding due to expire, if assessing the possible risk to an ancillary service
- Lost or stolen computer, if assessing risk to information held by the HIA
- Losing a staff member, if assessing risk to service delivery



## STEP 2 – DECIDE WHO/WHAT MAY BE HARMED

For example

- List staff who may be at risk from the safety hazard
- List damage that would be caused if funding ceased
- List consequences of losing computers
- List what skills would be lost if a certain member of staff left

## STEP 3 – EVALUATE THE RISK

- Decide if existing precautions are adequate – could more be done?
- Are steps taken to limit risks from a safety hazard sufficient – what more could be done?
- Have all possible steps been taken to secure funding – is there a plan to secure new funding?
- Has the information on the computer been transferred to a separate location – can any other steps be taken?
- Will the current recruitment system ensure that an appropriate replacement staff member is recruited?

## STEP 4 – RECORD YOUR FINDINGS

- Complete a Health & Safety Risk Assessment for the company
- Write a strategy for funding the ancillary service into the business plan
- Write a procedure for ensuring that information is not lost along with the computer
- Write job descriptions/person specs that accurately reflect the nature of the job

## STEP 5 – REVIEW AND REVISE

- Set a date for Assessment Review
- Review funding situation annually as part of business plan
- Set regular dates to review procedure for storing information
- Regularly review skills necessary to deliver service, ensure adequate number of staff are suitably trained

Remember that it is not possible to eliminate all risk; your aim is to minimise risks by taking appropriate precautions as needed.

## **GOOD PRACTICE POINTS**

- Remember to “back up” all the information that you hold on computers and keep it safely at another location or in a fireproof environment
- Consider how to protect essential information held in paper form



# RISK ASSESSMENT AND MANAGEMENT FOR OLDER PEOPLE

## CHECKLIST Principles and Values

Key principles and values that are essential in the assessment and management of risk for the provision of services to older people

- Equal Opportunities
- User Focus – the users of the HIA service are the main focus and addressing their needs is central to service delivery and outcomes
- Encouraging Independence – people have the right not to have their independence unnecessarily restricted
- Self Determination – the user should be allowed to make informed choices unless multi-agency assessment determines otherwise
- Confidentiality
- Staff support

## CHECKLIST Risk Management

- Clarity in the definition of decisions to be made will lead to sounder decision making
- Where possible take small steps in the process of risk taking to achieve a particular goal
- Work to increase benefits and minimise harm
- Use the supervisory process in assessment and management of risk
- Consult with other professionals and key individuals
- Manage conflicting opinions openly and clearly
- Agree a plan of action
- Specify roles for key individuals
- Define review and monitoring arrangements
- Consider health and safety of staff – assess risk to staff in the same way as to service users

## CHECKLIST Risk Assessment

- Define what is to be achieved (i.e. what is the point of taking the risk)
- Decide on the degree of formality with which the decision will be made
- Define possible outcomes, benefits and harms
- Assess relative importance/value of each outcome to individuals involved
- Identify what steps could minimise each type of harm
- Consider the likelihood of identified outcomes being realised
- Consider who will be affected by the decision and how
- Be in a position to justify decisions/actions and operate on a basis of openness



## CASE HISTORY: HANOVER HOUSING ASSOCIATION

Hanover Housing Association has a risk assessment panel designed to assess the risk to the association of any new business. The panel considers a risk map that includes such things as:

- |  |  |
|--|--|
| ■ Financial viability of proposed scheme                   | ■ Political commitment                           |
| ■ Stability of funding sources                             | ■ How the service fits into corporate objectives |
| ■ How the scheme fits into local housing & care strategies | ■ Possible risk to the association's reputation  |
| ■ Level of need for the scheme                             | ■ Overall risk to the aims of the association    |
| ■ Availability of local resources (builders etc.)          | ■ Likely cost to the association                 |

The panel assess the level of risk and possible benefits to the association to assist their board in development decisions.

# HEALTH & SAFETY AT WORK

There are many regulations that require employers and employees to assess health and safety risks in the workplace, and this can seem confusing and daunting. There is no need, however, to over complicate the process of risk assessment, which is simply a careful examination of what can cause harm to people and whether adequate precautions have been taken to reduce risk.

## STEP 1 – LOOK FOR HAZARDS

Walk around the office with other staff members and look for anything that could reasonably cause harm, this could be:

- Slipping, tripping hazards
- Poor wiring/overloaded socket outlets
- Electrical appliances (kettles, microwaves etc.)
- Temperature
- Computer equipment/seating

## STEP 2 – DECIDE WHO MIGHT BE AT RISK

There is no need to list individuals just groups of people who may be affected, for example:

- Office staff
- Contractors
- Members of the public

Think about who may be more vulnerable

- Clients
- New staff
- People with disabilities
- Lone workers
- Workers who visit clients/sites etc



## STEP 3 – ARE ADEQUATE PRECAUTIONS TAKEN?

Do the precautions taken against your listed hazards:

- Meet legal requirements
- Represent Good Practice
- Reduce risk as far as is reasonably practical

Have you provided:

- Adequate information
- Adequate instruction and training
- Adequate systems and procedures

If the above is all in place the risk is adequately dealt with, but, you need to write down what is in place. Where the risk is not adequately controlled you need to make an “action list”.

## STEP 4 – RECORD YOUR FINDINGS

You need to show that:

- A proper check was made
- You consulted who might be affected
- You dealt with obvious hazards
- The precautions are reasonable
- The remaining risks are low

## STEP 5 – REVIEW AND REVISION

Set regular dates to review the Assessment, and on review check that:

- Hazards are still adequately controlled
- No new hazards exist

## SAFETY OUTSIDE THE OFFICE

In most HIAs the hazards will be few within the office, but you will also need to consider the safety of staff when they are out of the office, as the same principles will apply. Hazards may include:

- Dangers on building sites
- Violent clients
- Driving/travelling

People who may be harmed may include:

- Caseworkers
- Technical staff
- Other staff

Precautions may include:

- Safety information to staff
- Clear procedures for visiting clients
- A system for tracking staff
- Personal protective equipment

### **TIP** HAZARD AND RISK

**Hazard means anything that can cause harm (to a person, organisation etc)**

**Risk is the chance, however high or low, that somebody or something (a person, organisation etc) may be harmed by the hazard**

**In most HIAs the risks will be few within the office, but you will also need to consider the safety of staff when they are out of the office**

# GOOD PRACTICE ADVICE ON RISK REDUCTION

## CASE STUDY: EASTBOURNE CARE & REPAIR

Recognising that overloading staff with work could put them under considerable stress, which might be damaging to the organisation as well as the individual, the manager set about putting measures into place that reduced that risk.

- ✓ A waiting list procedure was produced to be used if necessary
- ✓ Regular one to one meetings are held with staff to discuss caseload
- ✓ The manager is currently working on streamlining systems
- ✓ Work is contracted out to a technical agency when workloads become excessive
- ✓ Staffing levels are reviewed annually and a report submitted to the management committee

It is recognised that this is an ongoing task, which will have to be constantly reviewed.



## CASE HISTORY: AN OFFICE FIRE, OUT OF HOURS

Identified as a (low) risk, what would be the consequences?  
First decide who/what could be harmed:

- Client files
- Library of information used by staff
- Computers and other equipment
- Office furniture
- Personal property of staff
- Continuity of service

The next step is to look at what precautions can be taken to minimise the risk

- Install a fire alarm
- Check all electrics before leaving the building
- Keep paper files in metal filing cabinets
- Back up computer information and keep in a different location
- Record what information you hold so that it can be replaced
- Insure the contents of the office
- Insure for business interruption
- Ensure that staff understand that leaving personal belongings in the office may be at their own risk

Written information on the above should then be produced and issued to staff together with the usual information on what to do in case of fire, when the office is occupied.

### CHECKLIST

#### Confidentiality

HIAs hold a lot of information on clients that could be very damaging if it was not treated as confidential. It could also seriously damage the HIA if a client was harmed because of information gained by a third party from the HIA.

When deciding on a confidentiality policy the following should be considered:

- Information should always be used in a way which protects and promotes the best interests of the individual
- Who needs to know the information
- Information held should be secure, with access limited
- Files should be regularly reviewed and excess or outdated information disposed of
- Clients should be aware of who is given information about them and why
- Confidentiality policies must be practical and workable

# GOOD PRACTICE ADVICE ON RISK REDUCTION– (continued)

## CASE STUDY: IT DISASTER LOSES INFORMATION

An HIA in the Midlands recently had a serious problem with its computer system and data. A virus invaded its systems and it lost substantial amounts of data which could not be recovered. Unfortunately, it had not prepared for the risk and so virus protection and data backup facilities were totally inadequate. This resulted in lost information, lost time and a serious blow to operational efficiency, which could have resulted in loss of confidence from partner organisations.

### CHECKLIST

#### Disaster Recovery Plan

Adequate protection against viruses, computer crashes or disasters involving fire or water should be in place. The following practices and procedures should be put in place:

- Anti Virus Protection software should be installed
- A robust data backup and restoration system
- Separate storage medium for daily/weekly/monthly backup
- Keep tape/disk off site
- Check insurance cover

### TIP

Companies specialising in data backup and offsite storage (data warehouses) can offer efficient solutions for small organisations (search backup on www).

CEL have a comprehensive 'Disaster Recovery Plan' which focuses on recovering from a disaster involving fire or flooding of its main offices.

## CASE STUDY: MERSEYSIDE FIRE BRIGADE

Caring with the Carers, a leaflet originally produced by Merseyside Fire Brigade to assist carers of older people to identify potential fire hazards, has a useful checklist for identifying hazards and dealing with them. It is designed to be used room by room, for example:

| Living Room   | YES | NO |
|---|-----|----|
| Is there a guard around the fire, with fuel stored around it? |     |    |
| Is there a mirror over the fireplace?                         |     |    |
| Are there any clothes too close to the fire?                  |     |    |
| Are any aerosols near any heat source?                        |     |    |
| Are there any badly worn carpets or rugs?                     |     |    |
| Are chimneys swept regularly?                                 |     |    |
| <b>ANY TICKS IN THE SHADED AREAS WILL REQUIRE ACTION</b>      |     |    |

# INSURING AGAINST RISK

Insurance can be arranged to cover a variety of risks that a Home Improvement Agency may encounter in the course of its operational activities. All organisations are required by law to have certain insurance cover such as Employers' Liability, but insurance cover for many liabilities is a risk management decision.

Those commonly held by HIAs include:

- Employers' Liability
- Public Liability
- Professional Indemnity
- Office Contents Insurance

Optional Insurance can be added to cover:

- Business Interruption
- Loss of Business Money
- Buildings
- Computers
- Supplementary All Risks – extends cover to property/equipment taken anywhere in UK
- Staff Honesty
- Legal Expenses – e.g. in connection with employment disputes, personal injury etc.
- Personal Accident and/or Sickness – for HIA employees
- Committee Liability
- Vehicle Insurance

## TIP

- Always be certain about what your insurance covers and does not cover**
- Always be clear about your responsibilities to the insurer**
- Always seek several quotations for your insurance requirements – the cheapest is not necessarily the best cover**
- Inform your Insurers about any change of circumstances e.g. additional services**

## TIP

**Ensure that you have adequate insurance, reassess levels of cover annually**

## TIP

**Insurance Companies are legally within their rights to proportionally reduce the level of payment if the level of cover is inadequate, even where the claim is for less than the cover**

## CHECKLIST

### Insurance Liabilities and Construction Risks

Before repair, improvement or adaptation work is started, HIAs should ensure the contractor is adequately insured for:

- Employers' Liability
- Public Liability or General Liability or Third Party
- Loss or damage to Contract Works

And check if the client has:

- Buildings/Contents insurance that covers for loss or damage to the structure and contents
- Notified their insurers of the intended works
- Required the insurance to include the works and unfixed materials and goods
- Had the interest of the contractor, as a 'joint insured' with the client, recorded in the relevant policy

## GOOD PRACTICE ADVICE ON CLAIMS PROCEDURE

For all types of insurance claims the following basic principles apply:

1. Report all incidents that may be the subject of an insurance claim immediately, serious events/accidents should be notified by telephone or fax
2. In the event of a claim never admit liability, pass all correspondence unanswered directly to your insurers
3. Forward cost of claim to insurers as soon as possible after the loss
4. Insurers may wish to appoint loss adjusters to examine the damage to property or the extent of personal injury

5. Delay in notification of a claim can prejudice settlement. If there is any doubt as to whether a particular injury, loss or damage is covered, the advice of the broker and/or insurer should be sought immediately

### Case Example:

**A client complaint ended up in court 6 months after practical completion. The insurance company was not informed at the initial complaint stage which, depending on its nature and seriousness, could have prejudiced the claim.**

## USEFUL DOCUMENTS

Further guidance on **Risk Assessment for Technical Officers** can be found in Foundations' Good Practice Guide number 3 "Health & Safety in Construction"

**5 steps to Risk Assessment:** Health and Safety Executive, 1998

**A Guide to Risk Assessment:** Health and Safety Executive, 2001

**Hazards at Work: TUC Guide to Health and Safety:** TUC, 1998

**Good Practice in Risk Assessment and Risk Management 1:** Edited by Hazel Kemshall and Jacki Pritchard, 1996

**Risk Management Today and Tomorrow:** David McNamee (A Special Paper for the New Zealand State Services Commission)

**Improving Matters:** A Guide to the Development, Management and Running of Home Improvement Agencies, Care and Repair England, 1997

Further information, and a simple **Risk Assessment proforma** can be obtained from the Health & Safety Executive (HSE) [www.hse.gov.uk](http://www.hse.gov.uk) or from the info line 08701 545500

## USEFUL CONTACTS

### Regent Insurance

235 High Street  
Acton  
London  
W3 9BY  
Tel 0208 993 7305

### ROSPA

(for contact details of your Regional Office, please use their website address)  
[www.rospa.co.uk](http://www.rospa.co.uk)

### Hampshire Social Services

Sun Alliance House  
37-41 Wote Street  
Basingstoke  
Hampshire  
RG21 7LU  
Tel 01256 362000  
[www.hants.gov.uk](http://www.hants.gov.uk)

### Health & Safety Executive Information Services

Caerphilly Business Park  
Caerphilly  
CF83 3GG  
Tel 08701 545500  
[www.hse.gov.uk](http://www.hse.gov.uk)

### Hanover Housing Association

1 Bridge Close  
Staines  
Middlesex  
TW18 4TB  
Tel 01784 446000

### Merseyside Fire Brigade

Fire Service Headquarters  
Bridle Road  
Bootle  
L30 4YD  
Tel 0151 227 4466  
[www.merseyfire.gov.uk](http://www.merseyfire.gov.uk)

## USEFUL WEBSITES

**Performance and Innovation Project: Risk and Uncertainty –**  
[www.cabinet-office.gov.uk/innovation/2001/risk/scope.shtml](http://www.cabinet-office.gov.uk/innovation/2001/risk/scope.shtml)

**Foundations –** [www.foundations.uk.com](http://www.foundations.uk.com)

**ROSPA –** [www.rospa.co.uk](http://www.rospa.co.uk)

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