

Lessons from the UK National Risk Register

By David Hillson

the top risk, presumably because it has the highest relative impact, even though there are other risks that are assessed as being more likely. This arises from a natural tendency to treat impact as more important than likelihood, which in extreme cases results in an over-protective and inappropriately risk-averse approach being taken towards risks.

Projects should be careful to define their risk prioritisation method clearly in advance, so that everyone knows the thresholds against which risks are assessed, and everyone can be clear about which really are the top risks.

The UK National Risk Register opens with a claim from the UK Government that 'the UK has been described [by the World Economic Forum (WEF)] as one of the pioneers in coordinated risk management for emergencies because of the systematic way in which we assess the risks and use these assessments to help planning'. It closes by saying 'Publication of this National Risk Register will mean that the UK will meet most of the principles of country risk management established by the WEF. This raises a question that every project manager must consider. Are we producing our project risk registers just so that we meet the requirement and tick the right boxes? Or are we using risk information to help us plan and execute our projects in the best possible way?

We should congratulate the UK Government for publishing the first UK National Risk Register and taking seriously the major risks faced by our country. We should also follow their example when managing risks on our projects, so that our project risk registers are also recognised and used as valuable contributors to the success of our projects.

About the author

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Earlier this year the UK Government published its first National Risk Register*, detailing the most significant risks facing the nation as a whole. This aroused considerable media interest and comment as people were confronted with what keeps the Government awake at night, as well as details of what they are doing about it.

The UK National Risk Register presents 12 risks that are assessed as having the potential to have a major impact on the country, as summarised in Figure 1. Of course, these are not the only risks faced by the UK, but they were selected as representing the biggest risks currently requiring attention and action, since occurrence of any one of these risks would result in a national emergency.

The scales of likelihood and impact in Figure 1 are also relative not absolute, so being close to the lower left-hand corner does not mean 'low likelihood/low impact', just that that risks in this position are assessed as being less likely or with less impact than the others.

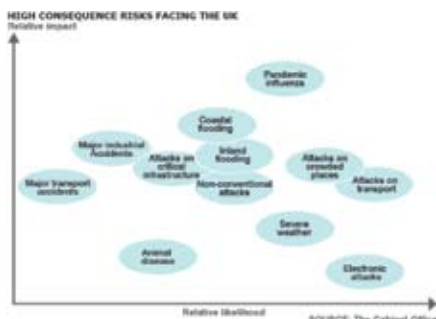


Figure 1: Top risks facing the UK (Crown Copyright: The Cabinet Office)

While the UK National Risk Register covers national emergencies that might occur in the coming five year timeframe, and is limited to accidents, natural events and malicious attacks, there is much that project managers can learn about how to assess the risks that might affect their projects.

First the UK National Risk Register has a very clear scope. It only covers risks that would result in an emergency as defined by the Civil Contingencies Act 2004. All project risk assessments must also have a properly defined scope, stating what is 'at risk', so that risks can be identified that are relevant to the project.

The likelihood and impact of the risks in the UK National Risk Register were assessed against clear criteria. Likelihood was based on historical data,

where possible, otherwise the judgement of experts was used.

Impact was measured against five dimensions, including human illness or injury, fatalities, social disruption, economic damage, and the psychological impact on society.

Projects should also assess likelihood using previous information when that is available, and expert judgement when it is not. And the impacts of project risks should be assessed in multiple dimensions, not just money, reflecting the various objectives of the project (such as timeline, performance, delivered value, quality, etc).

The timeline for the UK National Risk Register is defined as the coming five years, and each risk is assessed in relation to that period. Project risk assessments are often confused over whether the risk is being assessed as a single occurrence or over the project lifetime.

The purpose of the UK National Risk Register is clearly stated as being to prioritise the most important risks so that appropriate action can be taken, and it presents details of what the UK Government and emergency services are doing in relation to each risk. In the same way, the project risk process must not stop with identifying and assessing risks. Risk management is not complete until risks are managed. That means deciding on what to do, and turning plans into actions.

The UK National Risk Register is seen as the highest-level document describing risks to the nation, but it feeds into lower-level Community Risk Registers that consider risks and their impacts at a more local level.

Organisations should also use risk registers at different levels, including project, programme, business and strategic, and these must be aligned to allow risks to be escalated and delegated between levels, so that they can be managed at the most appropriate place in the organisation.

When the UK National Risk Register was first published, there was a lot of discussion in the media over what was 'the top risk faced by the UK'. The UK National Risk Register is quite careful not to list the risks in priority order, and says they are all important and need to be managed. However, it was interesting to see how the media interpreted the diagram shown in Figure 1. Most reports picked out 'pandemic influenza' as