

HAMBLETON DISTRICT COUNCIL

Report to: Scrutiny Committee
23 February 2017

Subject: REVIEW OF RISK MANAGEMENT

All Wards

1.0 PURPOSE AND BACKGROUND:

- 1.1 The Council has a robust risk management process in place which includes a comprehensive risk register. The register captures all risks identified as presenting a threat or opportunity which may impact the Council's service delivery. At Hambleton District Council, risks on the register are recognised as being either strategic or operational in nature; operational risks are those affecting individual services and tend to involve the day to day running of those services, whilst strategic risks affect the whole Council and are wide reaching, both in terms of timescales and potential impact.
- 1.2 All risks are reviewed by the relevant service on a quarterly basis to reflect upon their appropriateness and the adequacy of the mitigating action plan. Strategic risks and high level operational risks are also reviewed by Management Team and Heads of Service.
- 1.3 To ensure that strategic risks are appropriately managed and that suitable actions are undertaken to mitigate the effect of each risk, Scrutiny Committee receive a quarterly report to monitor these. Audit, Governance and Standards Committee also receive reports on strategic risks on an ad-hoc basis only if a change occurs.
- 1.4 The Council's risk management process was audited during 2016/17 Q1 and as a result two key improvements have been introduced. A complete review of the Council's Risk Register was undertaken during Q2 in order to:
- a) ensure all risks of a strategic nature are properly identified
 - b) determine those risks pertaining specifically to Council projects
 - c)
- These improvements will enable future reporting to provide additional focus by clearly distinguishing Project risks, for enhanced monitoring, whilst also providing greater recognition and consequent management of key strategic risks.
- 1.5 Annex A summarising Project Strategic Risks and Strategic Risks at Q3 2016/17 is provided for review. It should be noted that of the 323 current active risks, some 229 risks were changed during Q3. However, these amendments reflect the changes to Directorships and Risk Managers. No new Project or Strategic risks have been identified during this period and none closed.

2.0 RISK MANAGEMENT:

- 2.1 There are no risks associated with the recommendations of this report.

3.0 RECOMMENDATIONS:

- 3.1 It is recommended that the Committee review Annex A which identifies Project Strategic risks and t Strategic risks affecting the Council, together with the actions that are in place to mitigate their potential impact.

LOUISE BRANFORD-WHITE DIRECTOR OF FINANCE (S151 OFFICER)

Background Papers: Internal Audit Report - Annual Review of the Risk Management Strategy
Department Quarterly Risk Register Review

Contact Author ref: Louise Branford-White
Director of Finance (s151 officer)
Direct Line No: (01609) 767024

Pam Channer
Performance & Improvement Officer
Direct Line No: (01609) 767034

ANNEX A

HDC PROJECT STRATEGIC AND STRATEGIC RISKS
2016/17 Q3

Risk ID	Risk Name	Mandatory (cannot be closed)	Project Risk	Org Level	CP Priority	Risk Category	Status	Likelihood : Impact	Score	Risk Level	Service	Service Director / Responsible Officer	Risk Manager	Action Plan
PROJECT STRATEGIC RISKS														
632	North Northallerton Project is delayed or stalls completely, adversely affecting the Council's supply of housing and employment land.		Project	Strat	EV	Economic, Reputational	Active	5x5	25	High	Business & Economy	Helen Kemp	Nicole Patterson & Sam Swinbank	The situation is monitored and regular communication maintained with the developer consortium and stakeholders to ensure delivery of project
623	Failure to deliver key infrastructure to Dalton Industrial Estate resulting in restricted economic growth.		Project	Strat	EV	Economic, Reputational	Active	5x4	20	High	Business & Economy	Helen Kemp	Nicole Patterson & Sam Swinbank	Submission of £1.8m grant application to LEP. Commitment form NYCC to oversee construction.
615	Inability to deliver Bedale Gateway Car Park project leads to long-term damage to local economy through loss of visitors and trade.		Project	Strat	EV	Economic, Reputational	Active	3x4	12	High	Design & Maintenance (incl Public Lighting)	Helen Kemp	Clive Thornton	Planning permission granted October 2016. Cabinet report to be considered at Cabinet meeting February 2017. Bedale, Aiskew and Leeming Bar relief road now operation.
718	Failure to secure a development partner to redevelop the prison site in accordance with the Council's objectives		Project	Strat	Corp	Economic, Reputational	Active	2x5	10	Med	Corporate Finance	Louise Branford- White	Louise Branford- White	Project team undertaking a procurement competitive dialogue process with appropriate financial, legal & property advice
699	Northallerton Sports Village - Funding Plan cannot be resourced sufficiently to develop the village as intended		Project	Strat	HW	Partnership/ Contractual, Customer/Citizen, Reputational	Active	3x3	9	Med	Leisure & Communities	Paul Staines	Steven Lister	National governing bodies to be consulted with a needs driving community supported proposal. 106 Agreement to be implemented to enable suitable funding
703	Sowerby Sports Village - Funding Plan cannot be resourced sufficiently to develop the village as intended		Project	Strat	HW	Partnership/ Contractual, Customer/Citizen, Reputational	Active	3x3	9	Med	Leisure & Communities	Paul Staines	Lisa Wilson	National governing bodies to be consulted with a needs driven, community supported proposal. 106 Agreement to be implemented to enable suitable funding
692	Failure to provide accurate and timely employment advice to the WASS Route Optimisation Project could result in WASS management not correctly consulting or redeploying WASS staff. This in turn may result in grievances from the staff or UNISON which might delay the delivery of the project		Project	Strat	Corp	Economic, Reputational	Active	2x3	6	Med	Human Resources	Gary Nelson	Lynne Halls	HR team will ensure that advice is given in a timely and accurate manner. This project will be built into the Internal Operating Plan so that other work can be reprioritised. If any complex matters arise further advice will be sought
715	£25m loan to Broadacres Association fails because the third party no longer requires the loan, or encounters difficulties in their repayments and the income received by the council is reduced		Project	Strat	Corp	Financial	Active	3x1	3	Low	Corporate Finance	Louise Branford- White	Louise Branford- White	Ensure other income generating possibilities are being explored to maintain a balanced budget; monitor the third parties financial position to ensure they are in a secure position for the Council to loan the money; maintain good relations with the third party. Also note that the loan is secured with their housing stock
STRATEGIC RISKS														
227	Unable to access HDC services due to ineffective individual business continuity plans leading to loss of service.			Strat	Corp	Partnership/ Contractual, Customer/Citizen, Economic, Environmental, Financial, Health & Safety, Legal, Reputational, Social	Active	4x5	20	High	Corporate	Paul Staines	Paul Staines	Following recent audit and working with Veritau an action plan to refresh the Council's Business Continuity Plan at corporate and service level has been identified. This will include, review and challenge of business continuity plans, including risks and targets; provide training to increase understanding of Business Continuity Plan / Disaster Recover and to clarify responsibilities for Management Team, Heads of Service and Service Managers; produce a schedule for authorising, testing and reviewing Business Continuity Plans and Disaster Recovery. Complete an internal review of services, risks and agree operational importance to inform Business Continuity Plans, updating risk register as appropriate. Review and agree Business Continuity Plan support with NYCC. Timeline for delivery is in development. Responsibility transferred to Leisure & Environment Directorate.

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677	Cyber attack facilitated by user error leads to loss of key ICT infrastructure resulting in reduced ability to provide ICT Services			Strat	Corp	Reputational	Active	5x3	15	High	ICT (inc. Reprographics)	Helen Kemp	Jenny Pan	Compulsory annual Cyber Security training for all users, Cyber Security Incident Management Plan in place, actively monitor and review ICT security policies, participate in WARP (Warning, Advice and Reporting Point) to share knowledge and information with other Councils, arrange ICT staff training to keep up with the latest development
153	Economic downturn leads to fewer customers / memberships and therefore reduced income			Strat		Financial	Active	3x4	12	High	Leisure & Communities	Paul Staines	Natalie Curgenvin	Improve value and quality of products / services and alternative offerings
416	Significant reductions in government grant leading to the inability to sustain council services at the current level.			Strat	Corp	Financial, Reputational	Active	3x4	12	High	Corporate Finance	Louise Branford-White	Louise Branford-White	An on-going programme of service delivery and saving reviews that ensures best value is being achieved and income is maximised.
423	Health of local housing market leads to reduced ability to deliver affordable housing through planning, resulting in failure to achieve corporate plan target and to address housing need			Strat	SP	Customer / Citizen, Reputational, Social	Active	3x4	12	High	Strategic Housing	Helen Kemp	Sue Walters-Thompson	Affordable housing targets and thresholds to be reviewed as part of work on new Local Plan and with regard to Government priority for Starter Homes and viability considerations. RHE focus on delivery via exception sites that are not reliant on market
151	Increased direct fitness competition leading to customer migration resulting in less usage/income.			Strat		Customer / Citizen, Financial	Active	3x3	9	Med	Leisure & Communities	Paul Staines	Natalie Curgenvin	Improve quality of existing provision, improve gym management & improve quality/quantity of frontline gym fees.
139	Failure of the Safer Hambleton Local Delivery Group leads to non-compliance with statutory regulations			Strat	L	Legal	Active	2x4	8	Med	Leisure & Communities	Paul Staines	Lisa Wilson	The SHLDP is changing its operating model to Integrated Neighbourhood Management during 2016, this will include a pilot phase from Oct 2016 - Mar 2017, at which point a full review should be undertaken.
383	Failure to review and update emergency plans leads to inadequate response.			Strat	Corp	Customer/Citizen, Environmental, Financial, Reputational	Active	2x4	8	Med	Corporate	Paul Staines	Paul Staines	HDC to maintain review process with NYCC Emergency Team. Responsibility transferred to Leisure & Environment Directorate.
225	Failure to manage Capital Programme leading to inability to deliver Council Services efficiently and effectively			Strat	Corp	Financial, Reputational	Active	2x3	6	Med	Corporate Finance	Louise Branford-White	Louise Branford-White	Monthly review and management of Capital Programme
149	An incident resulting in death(s) leads to impact on family/staff & reputational damage resulting in lower usage/income & failure to improve residents health.			Strat		Customer / Citizen, Economic, Environmental, Financial, Health &	Active	1x5	5	Med	Leisure & Communities	Paul Staines	Steven Lister	Adherence to nationally prescribed safety standards, adherence to site specific safe operating practices, competent staff
226	ICT system(s) failure leads to loss of Council operations & key channels of communication (telephones, email, website, etc.) resulting in inability of the Council to communicate and carry out transactions with Citizens.			Strat	Corp	Reputational	Active	1x5	5	Med	ICT (inc. Reprographics)	Helen Kemp	Jenny Pan	ICT to revise, test and maintain a Disaster Recovery plan according to identified business needs
407	Failure to develop and maintain an effective Business Continuity plan leads to lack of resilience or inability to access HDC services resulting in loss of service or failure of service delivery.	M		Strat	Corp	Customer / Citizen	Active	1x5	5	Med	ICT (inc. Reprographics)	Helen Kemp	Jenny Pan	ICT Disaster Recovery Policy procedure is in place and will work with Business Areas to provide resilience in line with the business needs. Emergency Kit is in place, being reviewed and backed up on regular basis
705	Failure to provide timely legal advice and assistance regarding key strategic projects results in delays to the projects with potential adverse partnership effects and reputational damage.			Strat	Corp	Partnership/ Contractual, Legal, Reputational	Active	2x2	4	Low	Legal Services	Gary Nelson	Laura Venn	Ensure prioritisation of work and working in project deadlines for the key strategic projects to promote the Council's priorities.
709	Failure to set a 2017/18 Budget to reflect the Financial Strategy and the budgeted Council Tax.			Strat	Corp	Financial	Active	1x3	3	Low	Corporate Finance	Louise Branford-White	Ian Godfrey	Complete and challenge the Budget setting process