

## **HAMBLETON DISTRICT COUNCIL**

**Report to:** Scrutiny Committee  
7 September 2017

**From:** Director of Finance (s151 Officer)

**Subject:** **REVIEW OF RISK MANAGEMENT**

All Wards

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### **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 timescale 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 if significant changes occur.
- 1.4 The annual risk review was undertaken during Q4 and the full register provided to Management Team for review. This is in compliance with the council's Risk Management Framework and meets the requirements of the Annual Governance Statement.
- 1.5 Annex A summarises Project Strategic Risks and Strategic Risks at Q1 2017/18. It should be noted that some 45 risks were changed during the Q1 review, resulting in a total of 319 active risks currently on the register. No new Project or Strategic risks have been identified during this period.
- 1.6 Veritau conducted an audit of the council's Risk Management during Q1, concluding that whilst arrangements for managing risk are satisfactory with an acceptable control environment in operation, improvements can be made. These requirements were also reiterated by Corporate Peer Challenge team and by Scrutiny Committee at the end of June 2017.
- 1.7 It is proposed to address these findings during the current financial year as part of a major review of the Council's risk management processes and procedures. This will be conducted in stages allowing for thorough discussion and full consideration of potential changes by senior management at each stage. It is proposed to begin with a review of the Council's Risk Management Guide, introducing the new guide through in-house training workshops and culminating in a complete review of the Council's entire risk register during Q4.

### **2.0 RISK MANAGEMENT:**

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

**3.0 RECOMMENDATION:**

- 3.1 It is recommended that the Committee review Annex A which identifies Project Strategic risks and 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

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## ANNEX A

HDC PROJECT STRATEGIC and STRATEGIC RISKS  
2017/18 Q1

Risk ID	Risk Name	Mandatory (cannot be closed)	Project Risk	Org Level	Risk Category	Likelihood : Impact	Score	Risk Level	Service	Service Director / Responsible Officer	Risk Manager	Action Plan
<b>PROJECT STRATEGIC RISKS</b>												
632	North Northallerton Project is delayed or stalls completely, adversely affecting the Council's supply of housing and employment land.		Project	Strat	Economic, Reputational	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
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	Economic, Reputational	3x4	12	High	Design & Maintenance (incl Public Lighting)	Helen Kemp	Clive Thornton	Cabinet report March 2017, outcome - pause on project to allow further options to be considered. Bedale, Aiskew and Leeming Bar relief road now operational. Further work being undertaken to understand economic impact and give cost confidence of project for October 2017 cabinet report.
699	Northallerton Sports Village - Funding Plan cannot be resourced sufficiently to develop the village as intended		Project	Strat	Partnership/ Contractual, Customer/Citizen, Reputational	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	Partnership/ Contractual, Customer/Citizen, Reputational	3x3	9	Med	Leisure & Communities	Steve Lister	Lisa Wilson	National governing bodies to be consulted with a needs driven, community supported proposal. 106 Agreement to be implemented to enable suitable funding
715	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	Financial	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
<b>STRATEGIC RISKS</b>												
227	Unable to access HDC services due to ineffective individual business continuity plans leading to loss of service.			Strat	Partnership/ Contractual, Customer/Citizen, Economic, Environmental, Financial, Health & Safety, Legal, Reputational, Social	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.
677	Cyber attack facilitated by user error leads to loss of key ICT infrastructure resulting in reduced ability to provide ICT Services			Strat	Reputational	5x3	15	High	ICT (inc. Reprographics)	Helen Kemp	Jenny Pan	Compulsary 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
151	Increased direct fitness competition leading to customer migration resulting in less usage/income.			Strat	Customer / Citizen, Financial	4x3	12	High	Leisure & Communities	Steve Lister	Natalie Curgenven	Improve quality of existing provision, improve gym management & improve quality/quantity of frontline gym fees.
153	Economic downturn leads to fewer customers / memberships and therefore reduced income			Strat	Financial	3x4	12	High	Leisure & Communities	Steve Lister	Natalie Curgenven	Improve value and quality of products / services and alternative offerings

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416	Significant reductions in government grant leading to the inability to sustain council services at the current level.			Strat	Financial, Reputational	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	Customer / Citizen, Reputational, Social	3x4	12	High	Strategic Housing	Helen Kemp	Sue Walters- Thompson	Affordable housing targets and thresholds are being reviewed as part of work on new Local Plan and with regard to Government view on Starter Homes and viability considerations. RHE focus on delivery via exception sites that are
139	Failure of the Safer Hambleton Local Delivery Group leads to non-compliance with statutory regulations			Strat	Legal	2x4	8	Med	Leisure & Communities	Steve Lister	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 will be undertaken.
383	Failure to review and update emergency plans leads to inadequate response.			Strat	Customer/Citizen, Environmental, Financial, Reputational	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	Financial, Reputational	2x3	6	Med	Corporate Finance	Louise Branford- White	Saskia Calton	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 & Safety, Legal, Reputational, Social	1x5	5	Med	Leisure & Communities	Steve Lister	David Ashbridge	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	Reputational	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	Customer / Citizen	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	Partnership/ Contractual, Legal, Reputational	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 annual Budget to reflect the Financial Strategy and the budgeted Council Tax.			Strat	Financial	1x3	3	Low	Corporate Finance	Louise Branford- White	Saskia Calton	Complete and challenge the Budget setting process