

HAMBLETON DISTRICT COUNCIL

Report to: Scrutiny Committee
15 February 2018

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 timescale and potential impact. Project risks are also recorded on the register and are similarly categorised as either strategic or operational.
- 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, project risks and high level operational risks are also reviewed by Management Team and Heads of Service.
- 1.3 To ensure that strategic and project 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 and project 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 Annex B summaries Strategic Risks at Q3 2017/18. It should be noted that some 68 risks were changed during the Q3 performance review, resulting in a total of 327 active risks currently on the register.
- 1.6 As previously reported, Veritau conducted an audit of the Council's risk management procedure 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 reiterated by Corporate Peer Challenge team and by Scrutiny Committee at the end of June 2017.
- 1.7 In light of this, during Q2 Management Team agreed proposals for a comprehensive review of the risk management procedure during the coming year, to support the Council's drive towards excellent governance and effective internal controls by strengthening the approach to identification and management of risk.
- 1.8 Work is ongoing to establish a Strategic Risk Management Group to conduct the comprehensive review and to oversee ongoing risk management across the Council. This will ensure resilience to factors which could otherwise prevent the council accomplishing its aims. Progress will be reported in due course.

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 both Annex A which identifies Project Strategic risks and Annex B which identifies strategic risks which affect 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 RISKS 2017-18 Q3

Risk ID	Risk Name	Project Risk	Org Level	CP Priority	Risk Category	Status	Likelihood : Impact	Score	Risk Level	Service	Service Director / Responsible Officer	Risk Manager	Action Plan
DRIVING ECONOMIC VITALITY													
	North Northallerton DA												
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
	Central Northallerton Redevelopment												
738	The dividends expected from the development are not received	Project	Strat		Financial	Active	3x4	12	High	Corporate	Justin Ives	Louise Branford White	A development company has been set up and has two directors on board.
739	The site is not developed to reflect the aspirations of the Council	Project	Strat		Economic, Reputational	Active	3x4	12	High	Corporate	Justin Ives	Louise Branford White	The development will be monitored and discussed at the Board meetings on a regular basis.
	Dalton Bridge												
736	Cost escalation during construction stage of Dalton Bridge development with HDC having to pick up 50% of the escalation above the budget	Project	Strat		Financial	Active	3x4	12	High	Business & Economy	Helen Kemp	Nicole Patterson / Sam Swinbank	Review and challenge where appropriate areas of costs escalation outside the budget. Monitor through monthly report from NYCC and bi-monthly progress meetings with NYCC to understand the schemes financial expected out-turn.
	Bedale Gateway Car Park												
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	Limited if any impact on economy due to relief road. Work being undertaken to determine possible partners and funding options to deliver car park.
	Sowerby Gateway - Junction												
740	Key elements of infrastructure are not delivered	Project	Strat		Economic, Reputational	Active	2x4	8	Med	Planning	Helen Kemp	Mark Harbottle	Ongoing Officer engagement with Developers and other stakeholders in the scheme to ensure any issues are addressed at the earliest opportunity.
	Loan to Broadacres												
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	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
ENHANCING HEALTH & WELLBEING													
	North Northallerton DA												
699	Northallerton Sports Village - Funding Plan cannot be resourced sufficiently to develop the village as intended	Project	Strat	HW	Partnership/ Contractual, Customer/Citizen	Active	3x3	9	Med	Leisure & Communities	Paul Staines	Steven Lister	National governing bodies to be consulted with a needs driven community supported proposal. 106 Agreement to be implemented to enable suitable funding
	Sowerby Gateway - Village												
703	Sowerby Sports Village - Funding Plan cannot be resourced sufficiently to develop the village as intended	Project	Strat	HW	Partnership/ Contractual, Customer/Citizen	Active	3x5	15	High	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. Application submitted to European Regional Development Fund
CARING FOR OUR ENVIRONMENT													

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HDC PROJECT STRATEGIC RISKS 2017-18 Q3

Risk ID	Risk Name	Project Risk	Org Level	CP Priority	Risk Category	Status	Likelihood : Impact	Score	Risk Level	Service	Service Director / Responsible Officer	Risk Manager	Action Plan
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No projects currently being undertaken which have a strategic risk

A SPECIAL PLACE TO LIVE

Local Plan

737	The Plan is found to be unsound at the Examination stage	Project	Strat		Customer/Citizen	Active	2x5	10	Med	Planning	Helen Kemp	Sue Walters-Thompson	Robust evidence base is being developed. Policies to reflect government guidance. Plan is to be checked by experts prior to Publication
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ANNEX B

HDC STRATEGIC RISKS 2017-18 Q3

Risk ID	Risk Name	Org Level	CP Priority	Risk Category	Status	Likelihood : Impact	Score	Risk Level	Service	Service Director / Responsible Officer	Risk Manager	Action Plan
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.
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	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	Active	2x3	6	Med	Leisure & Communities	Steve Lister	Natalie Curgenven	Improve quality of existing provision, improve gym management & improve quality/quantity of frontline gym fees. HLC gym project almost complete.
153	Economic downturn leads to fewer customers / memberships and therefore reduced income	Strat		Financial	Active	3x4	12	High	Leisure & Communities	Steve Lister	Natalie Curgenven	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 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 not reliant on market. Work also underway to promote Community Led Housing Schemes.
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	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	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	Saskia Calton	Monthly review and management of Capital Programme

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HDC STRATEGIC RISKS 2017-18 Q3

Risk ID	Risk Name	Org Level	CP Priority	Risk Category	Status	Likelihood : Impact	Score	Risk Level	Service	Service Director / Responsible Officer	Risk Manager	Action Plan
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	Active	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	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.	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 annual Budget to reflect the Financial Strategy and the budgeted Council Tax.	Strat	Corp	Financial	Active	1x3	3	Low	Corporate Finance	Louise Branford-White	Saskia Calton	Complete and challenge the Budget setting process