

Hambleton District Council

Report to: Scrutiny Committee
20 January 2022

From: Interim Director of Finance (s151 Officer)

Subject: **Review of Risk Management – 2021/22 Quarter 2**

Wards Affected: All Wards

1.0 Purpose and Background

- 1.1 The principles of the CIPFA Framework Delivering Good Governance in Local Government require Hambleton District Council to be responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions. This includes arrangements for the management of risk.
- 1.2 The Council has a robust risk management process in place and a comprehensive risk register. The register captures all risks identified as presenting a threat or opportunity which may impact the Council's service delivery. The Council's Risk Management Framework provides information and guidance on the authority's risk appetite and risk management process. The updated Risk Management Framework was approved by Audit, Governance and Standards Committee on 22 October 2019 and Council on 17 December 2019.
- 1.3 All risks are reviewed by the relevant service manager on a quarterly basis to reflect upon their appropriateness and the adequacy of a mitigating action plan.
- 1.4 The Strategic Risk Management Group meets quarterly to drive all aspects of risk management compliance for the authority, supporting the monitoring roles performed by Management Team and the Scrutiny Committee. The group act as risk 'champions' ensuring risk management has an appropriate profile and sufficient focus on the corporate agenda.
- 1.5 In the event that the Scrutiny Committee questions an individual risk this would be raised at Council. However, if Scrutiny Committee wanted to raise a query surrounding the process and control of risks then this would be raised with Audit, Governance and Standards Committee. Audit, Governance and Standards Committee has the overall responsibility for risk, but the quarterly monitoring scrutiny role is delegated to Scrutiny Committee.
- 1.6 Management Team conduct an annual review at Quarter 4 of the Council's full risk register which satisfies the Council's audit obligations and demonstrates good corporate governance by ensuring that senior management are actively engaged with the Council's risk management process.

1.7 Audit, Governance and Standards Committee receive the risk register annually in October and also, if significant changes are made, on an ad-hoc basis.

2.0 Risk Management Process

2.1 At Q2, all risks were reviewed by service managers and responsible directors. As a result, 94 were updated, 222 were closed, and four new risks were identified. The authority currently holds a total of 341 active risks across all service areas. Risks were further reviewed and approved by Strategic Risk Management Group on 2 November 2021. The new risks relate to

Corporate risk: Workforce morale and motivation.
Waste and Street Scene: Failure to effectively manage the implications of having an ageing workforce.
Communications: Failure of the Council website.
Legal: Failure to follow General Data Protection Regulation requirements.

2.2 As part of the process of assisting Scrutiny Committee to perform its function, the corporate risks with a net risk threshold of 12 or above are attached for review at Annex A. Scrutiny Committee is also asked to review key corporate projects with a net risk threshold of 12 or above at Annex B. Finally, Scrutiny Committee is asked to review service risks with a net risk threshold of 12 or above at Annex C.

3.0 Risk Management

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

4.0 Recommendations

4.1 It is recommended that the Committee note and review the status of the risks.

- (1) Annex A HDC Corporate Risks with a Net Risk Threshold of 12 or Above
- (2) Annex B HDC Key Corporate Project Risks with a Net Risk Threshold of 12 or Above
- (3) Annex C HDC Service Risks with a Net Risk Threshold of 12 or Above.

Noel O'Neill
Interim Director of Finance (s151 officer)

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

Author ref: Jacky Byrne
Performance and Improvement Officer
Direct Line No: (01609) 767034

Risk ID	Risk Name	Service	Service Director / Responsible Officer	Risk Manager	GROSS / INHERENT RISK	ACTION PLAN	ACTION PLAN timeline / completion date	NET / RESIDUAL RISK
416	Significant reduction in government grant and support from business rates leading to the inability to sustain council services at the current level.	All Services	Noel O'Neill	Noel O'Neill	4x5 20 High	<p>The Financial Strategy approved by Council in February 2021 identifies potential significant reductions in future income from Government grants and business rates. The mitigations within that Strategy include significant service changes and income increases. It will be challenging to deliver those.</p> <p>The Budget delivered by the Chancellor in October 2021 announced a 3 year funding review and the outlook for local government was better than expected previously. In addition no major changes were announced to business rates and its operation. The detail for HDC will not be known until December 2021.</p> <p>The Local Government Reorganisation comes into effect on 1st April 2023. Whilst that in itself does not mitigate the spending pressure, the creation of the new organisation will generate service efficiencies</p>	Ongoing	3x4 12 High
841	Local Government Re-organisation - Failure to deliver services and the projects in the council plan could lead to significant financial losses, reputational damage and potential legal challenge.	All Services	Justin Ives	All Directors	3x5 15 High	<ul style="list-style-type: none"> • Re-assurance that Hambleton District Council will take an active role in the re-organisation process to ensure that the interests of staff are appropriately represented. ▪ Continue to support and invest in staff and to develop their knowledge and skills to motivate them in the current situation and prepare them for what the future holds. ▪ Understand what makes Hambleton an attractive place to work and continue to work with staff to carry this forward, whilst maintaining a positive attitude to Local Government Re-organisation. • Regular staff briefings and a new website keep staff informed of developments in a timely manner. ▪ Improve the focus on the delivery of projects in the short timescale available. ▪ Ensure that business continuity planning is robust: sharing knowledge / sound record keeping / documented procedures. 	Ongoing	3x4 12 High

Risk ID	Risk Name	Service	Service Director / Responsible Officer	Risk Manager	GROSS / INHERENT RISK			ACTION PLAN	ACTION PLAN timeline / completion date	NET / RESIDUAL RISK		
860	Workforce morale and motivation, influenced by factors such as: uncertainty surrounding the future along with recruitment and staff retention has the potential to impact upon service delivery to the residents of Hambleton.	All Services	Justin Ives	All Directors	4x4	16	High	Clear direction and motivation required from Management Team in order to continue momentum. Understand what makes Hambleton an attractive place to work and continue to work with staff to carry this forward, whilst maintaining a positive attitude to Local Government Re-organisation. New corporate plan in development detailing the focus over the next 17 months. Resources for measures such as employment of temporary staff to meet vacancies soon to be provided to support employment issues.	Ongoing	3x4	12	High

Risk ID	Risk Name	Service	Service Director / Responsible Officer	Risk Manager	GROSS / INHERENT RISK			ACTION PLAN	ACTION PLAN timeline / completion date	NET / RESIDUAL RISK		
					Likelihood : Impact	Score	Risk Level			Likelihood : Impact	Score	Risk Level
Driving Economic Vitality												
Discover Hambleton												
To be developed												
Covid-19 Economic Response & Recovery Programme												
To be developed												
Hambleton Education and Skills Programme												
847	Skills Village A key member of the Business and Economy Team leaves the organisation before the project starts or during delivery.	Business & Economy	Mick Jewitt	Nicole Patterson / Sam Swinbank	5x4	20	High	The Council has a highly experienced Economic Development Team that comprises 10 individuals. It has the capacity to manage a broad work programme and to ensure priority projects continue to be delivered in such circumstances. Continue to work closely as a team on key projects to build resilience.	Mar-22	3x4	12	High
848	Skills Village We are unable to recruit key members of staff needed to help deliver the project.	Business & Economy	Mick Jewitt	Nicole Patterson / Sam Swinbank	5x4	20	High	There are a number of experienced staff in the team to support the delivery of the project but will also require specialised advice and may recruit external support..	Mar-22	3x4	12	High
Northallerton Bridge and Road Development												
All risks for this project have a net score below 12												
Treadmills Phase 2 and 3 / Future High Street Fund												
825	Central Northallerton Redevelopment - The income generated from the asset (Treadmills Phase 2 and 3) does not cover the Council's finance costs due to voids or low rents and the cost of management	Commercial	Mick Jewitt	Hannah Heinemann	4x5	20	High	Monitor the income stream closely and maximise commercial income. Future High Street Funding has been secured. Keep members appraised of any future issues.	6 weekly monitoring	3x4	12	High

Risk ID	Risk Name	Service	Service Director / Responsible Officer	Risk Manager	GROSS / INHERENT RISK			ACTION PLAN	ACTION PLAN timeline / completion date	NET / RESIDUAL RISK		
					Likelihood : Impact	Score	Risk Level			Likelihood : Impact	Score	Risk Level
853	Northallerton Town Square Improvements - Disruption to post Covid High Street Re-opening - Negative feedback from High Street Businesses, traders and residents	Business & Economy	Mick Jewitt	Nicole Patterson / Sam Swinbank	4x4	16	High	Effective project management to anticipate and respond to policy changes. Ensure positive public relations and communications through the project.	Ongoing	3x4	12	High

Enhancing Health & Wellbeing

Community Leisure Facilities Improvements

All risks for this project have a net score below 12

Northallerton Sports Village

All risks for this project have a net score below 12

Sowerby Sports Village

All risks for this project have a net score below 12

Thirsk & Sowerby Leisure Centre Improvements

All risks for this project have a net score below 12

Community Assest Enhancement

To be developed

Caring for the Environment

Implementing the Cimate Change Action Plan (Climate change)

All risks for this project have a net score below 12

Hambleton Decarbonisation Scheme

To be developed

Crematorium Project

Risk ID	Risk Name	Service	Service Director / Responsible Officer	Risk Manager	GROSS / INHERENT RISK			ACTION PLAN	ACTION PLAN timeline / completion date	NET / RESIDUAL RISK		
					Likelihood : Impact	Score	Risk Level			Likelihood : Impact	Score	Risk Level
811	Crematorium Project - Increase in costs of the project once design has been developed and fully costed.	Commercial	Mick Jewitt	Hannah Heinemann	4x4	16	High	Manage project to identify issues early and identify parts of project that can be adapted. Carry out value engineering exercise with the consultant team.	Monitoring monthly as project progresses	3x4	12	High
813	Crematorium Project - The income from the service is less than expected and/or the operating costs are higher than anticipated.	Commercial	Mick Jewitt	Hannah Heinemann	4x4	16	High	Develop KPIs, monitor and implement improvement plans. Identify issues early. Report to Members at the earliest opportunity.	Monitoring monthly as project progresses	3x4	12	High

Electric Vehicle Charging Points

All risks for this project have a net score below 12

Risk ID	Risk Name	Service	Service Director / Responsible Officer	Risk Manager	GROSS / INHERENT RISK			ACTION PLAN	ACTION PLAN timeline / completion date	NET / RESIDUAL RISK		
					Likelihood : Impact	Score	Risk Level			Likelihood : Impact	Score	Risk Level
Decarbonisation of the Leisure Centres												
To be developed												
Providing a Special Place to Live												
New Local Plan												
All risks for this project have a net score below 12												
Best in Class Planning service												
All risks for this project have a net score below 12												
Heritage Action Zones												
To be developed												
Vibrant Market Towns												
All risks for this project have a net score below 12												

Risk ID	Risk Name	Service	Service Director / Responsible Officer	Risk Manager	GROSS / INHERENT RISK		ACTION PLAN	ACTION PLAN timeline / completion date	NET / RESIDUAL RISK			
542	Failure to have procedures and available resources to carry out proactive and reactive inspections of potentially contaminated land resulting in: <ul style="list-style-type: none"> • Significant risk of harm to the environment and public health if any contamination is not remediated. • A potential significant financial burden on the Council. • Significant reputational damage. 	Environmental Health	Paul Staines	Vikki Flowers	4x5	20	High	<ul style="list-style-type: none"> • Documented procedures are in place and are reviewed periodically. • Reactive checks are carried out to establish Class A or Class B liability groups to prevent the Council becoming responsible for contaminated sites and funding remediation costs. • Information on prioritised sites is shared with Development Management for inclusion on the Council's Brownfield Land Register of sites suitable for redevelopment, so the cost of remediation falls to the developer. • There is no designated funding in the Environmental Health budget to carry out investigation and potential remediation of contaminated sites. However, it is a legislative requirement that the Council would fund decisions made. • Contaminated Land now included in the Service's Enforcement Policy. 	31.03.2022 Review	3x4	12	High

Risk ID	Risk Name	Service	Service Director / Responsible Officer	Risk Manager	GROSS / INHERENT RISK	ACTION PLAN	ACTION PLAN timeline / completion date	NET / RESIDUAL RISK
732	Failure to have an appropriate Management Information System (MIS) for Environmental Health to collect data, create and maintain intelligent work processes, provide and analyse performance management information and provide data for statutory returns and other requests for information resulting in: <ul style="list-style-type: none"> • Inefficient working practices. • Lack of effective performance management. • Poor quality customer interaction. • Increased customer complaints. • Failure to provide information to Government agencies and other bodies/individuals. • Failure to comply with data protection requirements. • Failure to complete project within timescale due to the coronavirus pandemic. 	Environmental Health	Paul Staines	Vikki Flowers	5x4 20	High <ul style="list-style-type: none"> • Current Management Information System is not fit for purpose. • Data is recorded; however the system does not allow effective performance management, intelligent workflows, agile working solutions or effective customer interaction. • Data retention is not compliant with statutory requirements. • Lack of knowledge and expertise to make improvements. • Following a review of the current system to identify deficiencies, it has been established that the required improvements are likely to be cost prohibitive. A new Management Information System provider has been appointed. • Challenge to implement system during new working arrangements as a result of Coronavirus and the go live date has been delayed due to Coronavirus and development issues within the system. 	31.03.2022 Implementation of the Management Information System. The development and implementation phases are now underway	3x4 12 High
808	Central Northallerton Redevelopment – Crosby Road – The Council loses income.	Commercial	Mick Jewitt	Hannah Heinemann	3x4 12	High Consider other actions for improving income. Identify additional commercial projects, savings and efficiencies across the Council.	6 weekly monitoring	3x4 12 High
855	Health and Safety of Waste operatives and public from community undertaking litter picking, leaving bags of unknown items unsafely on highway verges	WaSS	Paul Staines	Sue Seddon / Gary Brown	4x4 16	High Withhold Hambleton District Council litter picking equipment if unsafe practices are identified (many not using HDC equipment). NYCC/HDC officers are giving advice if those undertaking unsafe practices are witnessed. A1 'Please take your litter home' signs provided free of charge to Town and Parish Councils (directed at road users) for display on private land adjacent to main roads leading into towns/villages. Suite of posters developed – directed at littering and provided free of charge as above for use in public areas. HDC unable to take further action that will reduce the likelihood of this risk.	Jun-21	3x4 12 High

Risk ID	Risk Name	Service	Service Director / Responsible Officer	Risk Manager	GROSS / INHERENT RISK		ACTION PLAN		ACTION PLAN timeline / completion date	NET / RESIDUAL RISK		
857	Failure to effectively manage the implications of having an ageing workforce, for example retirement options and age-related health matters could result in a loss of experienced employees and the consequent impact on service delivery and reputation.	WASS	Paul Staines	Sue Seddon / Gary Brown	4x5	20	High	Explore council policy for flexible retirement to enable skilled staff to continue to work and reduce potential injury/absence from physical aspect of waste operational duties. Risks of employing agency staff as it is resource intensive and a potential risk to health and safety. New starters need experienced staff to help safely embed into the operational duties safely. Investigate options around overstaffing / increased training. Action plan to be developed	Monthly	3x5	15	High