

Report of the Head of Resources

RISK MANAGEMENT UPDATE

1 Purpose of report

To provide members with an update on the key risks which may affect the council.

2 Executive summary

At its meeting in December 2014, the Resources Committee approved the updated Risk Management Strategy and agreed to receive periodic updates on how risk is being managed within the council. The last update to this committee was in March 2016.

3 Appendices

Appendix 1 – Corporate Risk Register.

4 Proposed action:

The committee is invited to RESOLVE to note the report.

5 Background

5.1 The council maintains three levels of risk register:

- Corporate Risk Register (CRR) which sets out the risks to the entire council, monitored and reviewed by the officers' Risk & Business Continuity Group (R&BCG);
- Service risk registers (SRR) owned by Assistant Directors and Principal Managers, incorporate operational risks relevant to a particular service or services (but not the whole council); SRR's form part of the Service and Financial Planning Dossiers and link to Business Continuity Plans.
- Health and Safety risk assessments are maintained at service level by Assistant Directors and Principal Managers. These contain risks and controls that affect individual employees and are maintained in accordance with the council's health and safety policy.

5.2 As part of the council's arrangements for managing risk the R&BCG is charged with advising this committee of the current key corporate risks and providing them with an overview of the resources committed to the control of risk.

6 Discussion

- 6.1 Risk management plays a significant role in strengthening local government's capacity to recognise, understand, accommodate and capitalise on the uncertainty which exists in any organisation. It also equips the council to respond to change and uncertainty by using risk-based information to inform effective decision making.
- 6.2 Internal Audit undertake an annual review of the authority's risk management processes as part of the requirement to provide an annual audit opinion that in turn supports the Annual Governance Statement. The most recent audit in March 2017 identified a significant level of assurance.
- 6.3 The CRR has recently been cross-referenced to the Strategic Internal Audit Plan for 2017/18 to 2019/20 to demonstrate the acknowledgement of corporate risks amongst audit activity.
- 6.4 Resources available are finite, so risks need to be prioritised. As risk is unavoidable every organisation needs to take action to manage risk in a way which it can justify to a level which is tolerable. The amount of risk which is judged to be tolerable and justifiable is the "risk appetite".
- 6.5 The level of risk remaining after internal control has been exercised (the "residual risk") is the exposure in respect of that risk.
- 6.6 The Corporate Risk Register is a high level document that seeks to identify as succinctly as possible:
- the key corporate risks the council faces
 - the residual impact of those risks
 - further actions that are required to better manage residual risks.

7 Legal powers

Section 3 of the Local Government Act 1999, as amended by s137 of the Local Government and Public Involvement in Health Act 2007 puts the council under a general duty of best value to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."

8 Financial and value for money implications

The efficient management of risk improves the council's financial position and contributes towards improved value for money.

9 Risk analysis

An up-to-date risk management strategy and risk register ensures current risks are identified, assessed, monitored and reported.

10 Implications for resources

Risk management will assist in ensuring the efficient use of resources.

11 Implications for stronger and safer communities

Effective risk management ensures that resources are properly and appropriately directed to the development of stronger and safer communities.

12 Implications for equalities

Effective risk management takes into account the risks associated with a lack of compliance with Equalities Act 2010 and failure to realise equalities objectives, and puts actions in place which addresses this.

13 Author and contact officer

Karen Denton, Assistant Director

14 Consultees

Risk and Business Continuity Group
Senior Management Team

15 Background papers

Reports to Senior Management Team
Minutes of Risk & Business Continuity Group
Corporate and Service Risk Registers

Corporate Risk Register 2017/18

Risk No	Risk Title	Risk Owner	Inherent Score	Residual Score	2017/18	Audit Plan 2018/19	2019/20	Actions
CRR1	Assets (including land and property) are not managed effectively to maximise returns	Director BG	9	6		Insurance, Procurement & Contract Management, Anti-Fraud & Corruption, Economic Development	Property Management	<ul style="list-style-type: none"> Property Asset Management Plan Proposal on office accommodation Review of budgets against planned preventative maintenance Disposal (with member approval) of low or no return properties Town Centre regeneration working group established. Exercise being undertaken to establish return on investment
CRR2	Lack of money to deliver services and meet customer/citizen expectations without using reserves	Managing Director	16	12	Financial Strategy, Finance & Income Systems, Crematorium, Anti-Fraud and Corruption, Markets	Finance & Income Systems, Service Planning, Anti-Fraud and Corruption, Building Control, Economic Development, S106	Finance & Income Systems, Pest Control, Property Management, Anti-Fraud and Corruption, Planning and Development, Homelessness	<ul style="list-style-type: none"> Medium term financial plan and efficiency plan Budget and service planning Corporate Plan and business plan drafted for members to consider
CRR3a	The major regeneration project of Stanton Cross not proceeding according to programme.	Director JT	12	2	Regeneration Projects	Economic Development, Regeneration Projects	Regeneration Projects	<ul style="list-style-type: none"> Monthly project meetings Additional resources required to drive the delivery of this project including planning, engineering, legal, PR and financial expertise Funding from DCLG to assist with staffing.
CRR3b	The major regeneration project of the High Street not proceeding according to programme, therefore having an impact on capital and revenue budgets	Director JT	12	9	Regeneration Projects	Regeneration Projects	Regeneration Projects	<ul style="list-style-type: none"> Additional funding required to drive the delivery of this project including planning, engineering, legal, PR and financial expertise. Application submitted for marginal viability funding.
CRR3c	The major regeneration project of Wellingborough North not proceeding according to programme, therefore having an impact on capital and revenue budgets	Director JT	12	9	Regeneration Projects	Regeneration Projects	Regeneration Projects	<ul style="list-style-type: none"> Regular steering group and technical meetings Additional resources required to drive the delivery of this project including planning, engineering, legal, PR and financial expertise Viability assessment has been undertaken.
CRR5	Insufficient adequately skilled employees to ensure services are delivered without threatening the well-being of the workforce	Managing Director	9	6	Human Resources	Service Planning, Human Resources	Human Resources	<ul style="list-style-type: none"> Set member priorities for medium term service delivery Continue monitoring of performance Restructure underway Review recruitment and selection policy and procedures and market supplements.
CRR5a	Loss of key strategic senior management	Managing Director	12	4	Human Resources	Human Resources	Human Resources	<ul style="list-style-type: none"> Regular Senior Team meetings, including principal managers Encouragement of mutual support and assistance amongst senior colleagues. Collaborative working of senior management team to provide resilience
CRR7	The Wellingborough Norse partnership becoming unworkable	Managing Director	8	4	Norse Contract Monitoring	Waste & Recycling	Grounds Maintenance, Street Cleansing	<ul style="list-style-type: none"> 10 year business plan projections for Wellingborough Norse reviewed. Set council short and medium priorities necessary to address budget imbalance. Links to CRR19
CRR8	Corporate governance arrangements do not comply with legislation, central government intervention and best practice.	Senior Management Team	16	6	Corporate Governance, Anti-Fraud & Corruption	Corporate Governance, Democratic Services, Anti-Fraud & Corruption	Corporate Governance, Anti-Fraud & Corruption	<ul style="list-style-type: none"> Review of the Constitution is underway. Monitoring Officer appointed, Deputy to be appointed. Production of corporate plan and identified corporate priorities.

Risk No			Score	Score	2017/18	2018/19	2019/20	
CRR9	Inability to meet minimum statutory responsibilities, including but not limited to, emergency planning, health and safety, homelessness, duty of care to vulnerable people	Senior Management Team	16	6	Norse Contract Monitoring, Food Safety, Emergency Planning, Safeguarding, Corporate Health & Safety, Human Resources, Data Protection & Freedom of Information	Waste & Recycling, Community Safety, Service Planning, Human Resources, Business Continuity, Building Control	Grounds Maintenance, Street Cleansing, Licensing, Human Resources, Choice Based Lettings, Homelessness, Private Sector Housing - Enforcement	<ul style="list-style-type: none"> • Training and continuing professional development of senior managers • Cascading of training and clarity of roles. • Performance management (performance indicators, PDRs, 121s etc.) • Mitigations for financial pressures (with business cases) to be sought
CRR10	Breakdown in arrangements with partners or contractors leading to non-delivery of expected outcomes	Senior Management Team	16	6	Leisure Services - Contract Monitoring, Crematorium, Partnerships	Community Safety	Licensing, Partnerships	<ul style="list-style-type: none"> • Review extent and nature of service delivery partnerships in a meaningful way, and in co-operation with contractor/partner
CRR11	Local plan - non-delivery of houses and regeneration of the town centre and the impact on the 5 year housing supply.	Director JT	16	3		S106	Planning & Development	<ul style="list-style-type: none"> • Joint Core Strategy adopted and 5 year land supply in place. Local Plan to be submitted for examination in January 2018.
CRR12	Planning application turnaround targets are not met, leading to government intervention.	Director JT	16	6		S106	Planning & Development	<ul style="list-style-type: none"> • Ensure external audit procedures are in place with recommendations promptly actioned. • Performance monitored regularly.
CRR13	Inability to maintain good quality information in a secure environment, in compliance with Data Protection legislation	Director BG	9	8	Data Protection & Freedom of Information			<ul style="list-style-type: none"> • Business continuity plan in place for ICT • Compliant with Public Sector Network audit • Compliant with General Data Protection Regulation
CRR14	Inadequate business continuity arrangements in the event of a critical incident or situation, including provision of alternative premises.	Director BG	6	3		Business Continuity		<ul style="list-style-type: none"> • Review business continuity plans (corporate and services) • Test business continuity plans within service areas. • Confidence from partners re business continuity plans. • Continuing professional development for officers
CRR15	Ineffective planning and risk management of processes to deliver elections and publish a register of electors	Director BG	6	2		Democratic Services		<ul style="list-style-type: none"> • Project management • Regular training and updating of experienced team
CRR16	Accounts are not produced on time	Managing Director	9	2	Finance & Income Systems	Finance & Income Systems	Finance & Income Systems	<ul style="list-style-type: none"> • Increase resilience and share knowledge and skills of the close down process within the accountancy function. • Process review to continually improve and reduce timescales for delivery of the accounts. • Accounts deadline reduced 17/18 • 16/17 accounts produced in line with new timetable.
CRR17	Lack of robust financial systems and records	Managing Director	8	2	Finance & Income Systems, Anti-Fraud & Corruption	Finance & Income Systems, Anti-Fraud & Corruption	Finance & Income Systems, Anti-Fraud & Corruption	<ul style="list-style-type: none"> • Explore further sharing of Academy system with ENC to provide resilience • Get a copy of KBC BCP for Agresso
CRR18	Breach of procurement regulations	Managing Director	6	4	Anti-Fraud & Corruption	Anti-Fraud & Corruption, Procurement & Contract Management	Anti-Fraud & Corruption	<ul style="list-style-type: none"> • Contracts and procurement training with Welland partnership - completed • Contracts register is updated and made more usable for monitoring contracts and planning procurement • Contracts for the coming year are recognised and reported on by PMs to SMT • Staff changes at WPU may impact on support. • Review of procurement arrangements to ensure satisfactory service level.
CRR19	Impacts of changes on other public bodies priorities and budgets leading to reduction or withdrawal of council services	Senior Management Team	12	12				<ul style="list-style-type: none"> • Working closer with partners to understand their coming proposals for service reductions and propose solutions where these may impact either directly or indirectly on the Borough Council • Negotiate - where possible - to improve the outcome for the council • Consider whether the council may have to make further adjustments to accommodate the changes in budgets • Potential changes to governance arrangements at NCC and provision of services following budget consultation.
CRR21	The Castle	Director BG	12	6				<ul style="list-style-type: none"> • Tender documents agreed with Advisory Group. • Tender process progressing. • Management arrangements in place until March 2019.
CRR22	THI	Director JT	12	8				<ul style="list-style-type: none"> • Extension of time agreed through to October 2019. • THI area extended to include more properties.

Risk No			Score	Score	2017/18	2018/19	2019/20	
CRR23	Multi-storey car park	Director BG	16	6				<ul style="list-style-type: none"> • Discuss at town centre regeneration group • Discuss further with shopping centre owners • Seeking expert advice on options.
CRR25	Impact of strategic developments in neighbouring districts/boroughs	Director JT	12	12				<ul style="list-style-type: none"> • Agree budget priorities • Ensure that clear business plans are in place for new spend • Town Centre Regeneration advisory group to meet to determine regeneration • S106 monies received from Rushden Lakes
CRR26	Reimbursement of planning fees	Director JT	12	8				<ul style="list-style-type: none"> • Limited claims to date and to be regularly monitored for impact.
CRR27	Vicarious liability	Managing Director	12	8				<ul style="list-style-type: none"> • Ensure all relevant employment policies are up-to-date and followed as a matter of course. • Make sure all relevant individuals understand the expected workplace standards. • Define the scope of individual job roles • Consider which policies apply to non-employees • Ensure appropriate management and supervision is in place • Consider appropriate insurance cover based on the risks presented • Include suitable indemnities in contracts with suppliers.

