

Report of the Head of Resources

RISK MANAGEMENT UPDATE

1 Purpose of report

To provide members with an update on the council's key risks and their managed mitigations..

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.

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 Risk and Business Continuity Group (R&BCG), which reports to the Senior Management Team;
- Service Risk Registers (SRR) owned by heads of service and their principal managers, incorporating 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 service action plans and business continuity plans.
- Health and safety risk assessments, which are maintained at service level by 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 resource committed to the control of risk. The local government landscape in general, and the council in particular,

is experiencing rapid and unpredictable change. Because of this the R&BCG meets several times each year to make sure that major risks to the council are being identified and managed.

6 Discussion

- 6.1 Risk management plays a significant role in strengthening the council's capacity to recognise, understand, accommodate and capitalise on the uncertainty which exists in any organisation, and equips the organisation to respond to change and uncertainty by using risk-based information to enable effective decision making.
- 6.2 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".
- 6.3 The level of risk remaining after internal control has been exercised (the "residual risk") is the exposure in respect of that risk.
- 6.4 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, Principal Corporate Support Manager

14 Consultees

Corporate Risk & Business Continuity Group
Senior Management Team

15 Background papers

Reports to Senior Management Team
Minutes of Risk & Business Continuity Group

Corporate Risk Register

March 2016

Corporate Risk Register 2015/16

Risk No	Risk Title	Risk Owner	Inherent Score	Residual Score	Actions
CRR1	Assets (including land and property) are not managed effectively to maximise returns	Head of Resources	9	6	<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
CRR2	Lack of money to deliver services and meet customer/citizen expectations without using reserves	Head of Finance	16	12	<ul style="list-style-type: none"> • Medium term financial plan • Budget and service planning
CRR3	The major regeneration projects of Stanton Cross, High Street and Wellingborough North not proceeding according to programme, therefore having an impact on capital and revenue budgets	Head of Planning and Local Development	12	6	<ul style="list-style-type: none"> • Regular meetings • Meetings to continue with existing funders e.g. HCA, NEP, SEMLEP and DCLG, to discuss new funding opportunities as they arise.
CRR4	Failure to deliver the crematorium	Chief Executive	8	4	<ul style="list-style-type: none"> • Contracts for construction works placed and currently ahead of schedule • Project management and member liaison arrangements in place • Commence review of options for arrangements for the operation and management of the crematorium once built
CRR5	Insufficient adequately skilled employees to ensure services are delivered without threatening the well-being of the workforce	Chief Executive	6	2	<ul style="list-style-type: none"> • Set member priorities for medium term service delivery • Continue monitoring of performance • Review occupational health provision • Review worklife balance policy • Review recruitment and selection policy and procedures
CRR6	Loss of Key ICT systems	Head of ICT	16	8	<ul style="list-style-type: none"> • Implement consistent backup arrangements across BCW and ENC, meaning all back-up data is held off-site at the other authority. Systems have been purchased and now require implementing • Consider Business Continuity arrangements for both sites and make recommendations for further joint arrangements to the ICT Executive Board • Produce a joint ICT Business Continuity plan for both sites, with an implementation timeline and budget requirements included • Complete review of data centre options and produce business case for ICT Exec Board and Members
CRR7	The Wellingborough Norse partnership becoming unworkable	Chief Executive	8	4	<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 and best practice	Monitoring Officer	16	4	<ul style="list-style-type: none"> • Consider consultation arrangements • Review Constitution
CRR9	Inability to meet minimum statutory responsibilities, including but not limited to, emergency planning, health and safety, homelessness, duty of care to vulnerable people	Head of Planning and Local Development	16	6	<ul style="list-style-type: none"> • Training and continuing professional development of senior managers • Performance management (performance indicators, PDRs, 121s etc)
CRR10	Breakdown in arrangements with partners or contractors leading to non-delivery of expected outcomes	Chief Executive	16	4	<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

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CRR11	Local plan - non-delivery of houses and the impact on the 5 year housing supply.	Head of Planning and Local Development	16	4	<ul style="list-style-type: none"> Update Local Plan & Town Centre Area Action Plan Local development scheme prepared outlining timescale for production of local plan Review of joint core strategy underway which gives us more realistic housing targets. Continue to monitor 5 year housing supply.
CRR12	Planning application turnaround targets are not met, leading to government intervention.	Head of Planning and Local Development	16	4	<ul style="list-style-type: none"> Review of development management procedures underway. Improved resilience and knowledge within the team.
CRR13	Inability to maintain good quality information in a secure environment, in compliance with Data Protection legislation	Head of Resources	9	6	<ul style="list-style-type: none"> Business continuity plan in place for ICT. Compliant with PSN audit
CRR14	Inadequate business continuity arrangements in the event of a critical incident or situation, including provision of alternative premises.	Head of Resources	6	3	<ul style="list-style-type: none"> Review business continuity plans (corporate and services) Test business continuity plans
CRR15	Ineffective planning and risk management of processes to deliver elections and publish a register of electors	Head of Resources	6	2	<ul style="list-style-type: none"> Project management
CRR16	Accounts are not produced on time	Head of Finance	9	4	<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.
CRR17	Lack of robust financial systems and records	Head of Finance	8	2	<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 Get a copy of Peopletime BCP for payroll to ensure robust procedures are in place
CRR18	Breach of procurement regulations	Head of Finance	6	4	<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
CRR19	Impacts of changes on other public bodies priorities and budgets leading to reduction or withdrawal of council services	Chief Exec/ Head of Finance	8	4	<ul style="list-style-type: none"> Working closer with partners to understand their coming proposals for service reductions and where these may impact either directly or indirectly on the Borough Council Alert members to any concerns 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
CRR20	Waendel Centre defects	Head of Finance	8	4	<ul style="list-style-type: none"> Surveys being done Provisional sum approved in capital program

