



East Northamptonshire Council

Audit and Risk Management Committee - 23 September 2009 Risk Management Report

Summary

This report provides an overview of new significant risks, progress on managing existing significant risks and a snapshot of the Council's risk profile.

Attachment(s)

Appendix A - Risk Register New Primary Inherent Risks

Appendix B - Risk Register Primary Residual Risks

Appendix C - Risk Profile Report

Appendix D - Risk Register Outstanding Actions

- 1 This item presents reports from the Council's risk register "4Risk". This covering report sets out a brief explanation for each of the reports attached along with any areas of concern that the Head of Resources wishes to bring to Members' attention. It should be noted that the existing risk classifications have been used within this report and that these will be updated to the new classifications subject to the agreement of the revised Risk Management Strategy.
- 2 **Appendix A – Primary Inherent Risks** highlights all new risks added to the system that are classified as primary inherent risks. One new risk appears on the register in relation to the consultation to transfer responsibility, and funding, for concessionary travel from District to County Councils.
- 3 **Appendix B – Primary Residual Risks** provides Members with details of all our residual primary risks. Members will note that the target is to have instigated controls or put in place contingency arrangements to ensure that all residual primary risks are reduced to a lower classification within three months of being identified. Members will note that the risks reported here were also reported at the last two meetings of this committee and, as such, have not met the stated performance target of reducing primary residual risks to a lower category within three months.
- 4 **Appendix C – Risk Profile Report** provides Members with a profile of risk classification by risk category, for both inherent and residual risks. This report shows in graphical form the profile of our risks before controls have been put in place and after.
- 5 **Appendix D – Outstanding Actions** shows those actions on the risk register assigned to primary residual risks that have not yet been fully completed. Progress notes have been added by Managers where appropriate.
- 6 **Recommendation**
 - 6.1 It is recommended that Members note the attached risk reports.

Implications:

Corporate Outcomes or Other Policy/Priority/Strategy
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Good Quality of Life	<input type="checkbox"/>	Good Reputation	<input type="checkbox"/>
Good Value for Money	<input type="checkbox"/>	High Quality Service Delivery	<input checked="" type="checkbox"/>
Effective Partnership Working	<input type="checkbox"/>	Strong Community Leadership	<input type="checkbox"/>
Effective Management	<input checked="" type="checkbox"/>	Knowledge of our Customers and Communities	<input type="checkbox"/>
Employees and Members with the Right Knowledge, Skills and Behaviours			<input type="checkbox"/>
Other:			<input type="checkbox"/>
Decision(s) would be outside the budget or policy framework and require full Council approval			<input type="checkbox"/>
Financial	There are no financial implications at this stage		<input checked="" type="checkbox"/>
	There will be financial implications – see paragraph		<input type="checkbox"/>
	There is provision within existing budget		<input type="checkbox"/>
	Decisions may give rise to additional expenditure at a later date		<input type="checkbox"/>
	Decisions may have potential for income generation		<input type="checkbox"/>
Risk Management	An assessment has been carried out and there are no material risks		<input type="checkbox"/>
	Material risks exist and these are recorded at Risk Register Reference - 253 inherent risk score - Primary residual risk score - Contingency		<input checked="" type="checkbox"/>
Staff	There are no additional staffing implications		<input checked="" type="checkbox"/>
	Additional staff will be required – see paragraph		<input type="checkbox"/>
Equalities and Human Rights	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications		<input checked="" type="checkbox"/>
	There will be an impact on equality (see categories above) or human rights implications – see paragraph		<input type="checkbox"/>
Legal	Power: Local Government Act 1972 & 2003; Accounts and Audit Regulations		
	Other considerations:		
Background Papers: None			
Person Originating Report: Robert Austin, Head of Resources 01832 742171 rjaustin@east-northamptonshire.gov.uk			
Date: 1 September 2009			
CFO		MO	
			CX

(Committee Report Normal Rev. 19)



Risk Register

Date	16/09/2009
Risk Owner	Select All
Corporate Objective	Select All
Risk Area	Select All
Sub Risk Area	Select All
Risk Category	Select All
Inherent Risk Priority	Primary
Residual Risk Priority	Select All
Created Date	15/06/2009
Record Ref	Select All
Record Ref	Select All

Economic Development Projects

Manor Park Rushden

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
535	Inadequate risk management arrangements	If not managed this could result in the project not achieving its stated aims, it being late, over budget and not fit for purpose. This could result in wasted financial resources and significant reputational damage	5 4 Primary	-Through reports to the Project Board and day to day management by the Project Managers (Mace) and the project team. -Maintaining details of the risks and the controlling measures on the Council's 4Risk system and regularly monitoring the effectiveness of the measures	5 3 Contingency	
541	Project over time and over budget	The project is not delivered within the stated timeframe or within the agreed budget due to various factors Additional cost to the council and reputational damage	4 4 Primary	The construction contract will be structured to pass the financial risk onto the contractors as far as possible.	4 2 Contingency	
544	Lack of support for project	The project lacks support of Members, Officers and the public resulting in the ultimate demise of the project. Abortive costs and embarrassment for the Council	5 4 Primary	Members have been, and will be, provided with regular formal reports and informal workshops in which to confirm their support for the project See above re consultation with public	5 3 Contingency	

Planning Services

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
545	Failure to regenerate town centre in accordance with corporate plan objectives	<p>Causes:</p> <ul style="list-style-type: none"> - Lack of resources - Economic downturn - Failure to support local businesses - Failure to clarify objectives - Lack of interest from developers/private partners <p>Effects:</p> <ul style="list-style-type: none"> - Resident dissatisfaction - Reputation damage - Reduced standards of living 	<p>5 5</p> <p>Primary</p>	<p>Regular Rushden regeneration project board meetings held involving Members and key stakeholders</p> <p>Market check on need and demand on town centre uses</p>	<p>5 5</p> <p>Primary</p>	<p>Initial advise commissioned</p> <p>Learn from the experience of other LAs</p> <p>Set up a further member briefing</p>

Revenue & Benefit Services

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
532	Less Prosperous	<p>Cause: Transfer of Bus Pass to County Council together with funding. Loss of Grant associated with travel</p> <p>Effect: Inability to afford to fund a discretionary concessionary travel scheme in East Northamptonshire.</p> <p>Loss of social inclusion for those reliant on discretionary concessionary travel schemes</p>	<p>6 6</p> <p>Primary</p>	<p>Encourage bus pass take-up to mitigate effects of any loss of alternative scheme.</p> <p>Encourage County to improve bus routes in East Northamptonshire.</p>	<p>6 3</p> <p>Contingency</p>	



Risk Register

Date	16/09/2009
Risk Owner	Select All
Corporate Objective	Select All
Risk Area	Select All
Sub Risk Area	Select All
Risk Category	Select All
Inherent Risk Priority	Select All
Residual Risk Priority	Primary
Created Date	Select All
Record Ref	Select All
Record Ref	Select All

Economic Development Projects

The Greenway Project

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
369	Inability to secure necessary match funding for project delivery/construction	<p>Cause; Insufficient funding for the project</p> <p>Effect; Delays in project Project failure Reputation Loss of funding</p>	<p>6 5</p> <p>Primary</p>	<p>Project continuity plans in place</p> <p>Regular communication with funders</p>	<p>6 4</p> <p>Primary</p>	<p>To continue to apply for funding through streams already identified</p> <p>To identify new funding streams</p> <p>To ensure that project continuity plans are in place through the Project Board set up in August 2008</p>

Environmental Services

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
436	Unsatisfactory recycling service (ENV34)	<p>Causes:</p> <ul style="list-style-type: none"> - Rushden centre closed - Failure of green waste club - Failure of kitchen waste project - Lack of public awareness - Lack of resource <p>Effects:</p> <ul style="list-style-type: none"> - Failure to meet recycling targets - Reputation damage - Financial implications 	5 5 Primary	<p>Northants Waste Partnership in place</p> <p>Waste and Recycling Working Party established</p> <p>The procurement of the next waste and recycling collection contract(commence 2011) includes targets for the successful bidder to meet in line with national and NJMW Strategy targets.</p>	5 4 Primary	

Planning Services

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority	Existing Controls	Residual Risk Priority	Action Required
545	Failure to regenerate town centre in accordance with corporate plan objectives	<p>Causes:</p> <ul style="list-style-type: none"> - Lack of resources - Economic downturn - Failure to support local businesses - Failure to clarify objectives - Lack of interest from developers/private partners <p>Effects:</p> <ul style="list-style-type: none"> - Resident dissatisfaction - Reputation damage - Reduced standards of living 	<p>5 5</p> <p>Primary</p>	<p>Regular Rushden regeneration project board meetings held involving Members and key stakeholders</p> <p>Market check on need and demand on town centre uses</p>	<p>5 5</p> <p>Primary</p>	<p>Initial advise commissioned</p> <p>Learn from the experience of other LAs</p> <p>Set up a further member briefing</p>

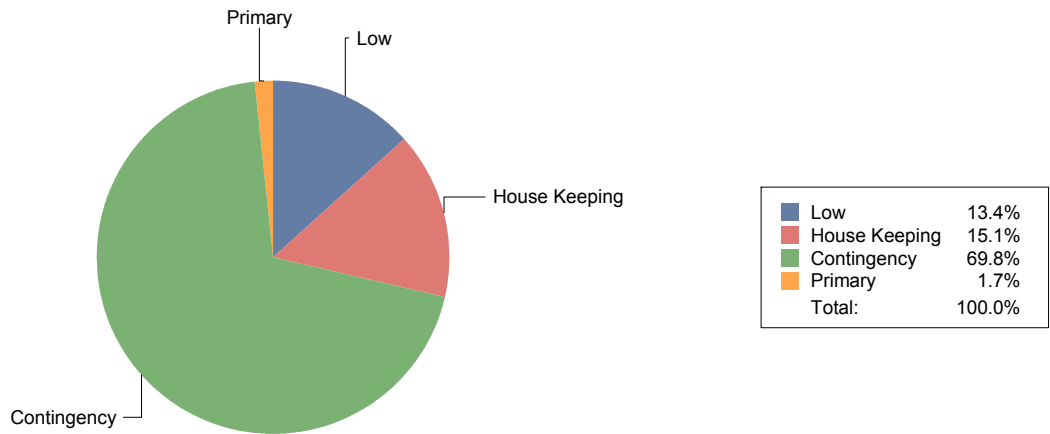


Residual Risk Profile - All Risks

Date	16/09/2009
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	Number of risks	Low	House Keeping	Contingency	Primary
All Risks	179	24	27	125	3

Residual Risk Classification





Action Plan - Outstanding

Date	16/09/2009
Risk Owner	Select All
Corporate Objective	Select All
Risk Area	Select All
Sub Risk Area	Select All
Risk Category	Select All
Person Responsible	Select All
Inherent Risk Priority	Select All
Residual Risk Priority	Primary
Created Date	Select All
Record Ref	Select All
Record Ref	Select All

To be implemented by

Select All

Economic Development Projects

The Greenway Project

Risk Ref	Risk Title	Residual Risk Priority	Action Required	Person Responsible	To be implemented by	Progress Notes & Note Date
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Economic Development Projects

369	Inability to secure necessary match funding for project delivery/construction	6	4	<p>To continue to apply for funding through streams already identified</p> <p>To identify new funding streams</p> <p>To ensure that project continuity plans are in place through the Project Board set up in August 2008</p>	Trevor Watson	30/09/2010	<p>Growth Area Funding of £150k being spent by the end of September on the following:</p>	09/09/2009
		Primary					<p>1. Survey work, mitigation work, civil engineering design, legal work, project management etc.</p>	
							<p>Awaiting official confirmation of £750k grant from Sustrans through Links to Schools funding.</p>	
							<p>Expression of interest submitted to Rural Development Programme England for £300k.</p>	
							<p>Progress made with existing £100k from Growth Area Funding (to be spent by March 2009) include:</p>	09/03/2009
							<p>1. Feasibility work completed. Report issued.</p>	
							<p>2. Preliminary assessment of habitats and protected species along the route completed.</p>	
							<p>3. Over wintering bird survey (phase 1) complete.</p>	
							<p>4. Tender process for engagement of surveys and civil engineering design consultant ongoing.</p>	
							<p>5. Tender process for clearance works completed. Contractor engaged and work to be completed by end of March 2009.</p>	
							<p>6. Quotes for topographical survey and visitor survey sought.</p>	
							<p>These actions and date to be implemented relate to phase 1 of the project</p>	09/03/2009
							<p>These actions are ongoing.</p>	09/03/2009

Planning Services

Risk Ref	Risk Title	Residual Risk Priority	Action Required	Person Responsible	To be implemented by	Progress Notes & Note Date
545	Failure to regenerate town centre in accordance with corporate plan objectives	5 5 Primary	Initial advise commissioned Learn from the experience of other LAs Set up a further member briefing	Trevor Watson	26/11/2009	