

## Management Board High Level Risk Report

Appendix D

| Corporate PRIORITY | Service area objectives | ID | Risk Category | Risk Owner | The Risk<br><i>(there is a risk that)</i> | Risk Cause<br><i>(as a result of)</i> | Risk Impact<br><i>(which may result in)</i> | Inherent Risk Scores<br><i>(assume no controls)</i> |             |         | Mitigation Actions and Controls | Actual Risk Scores<br><i>(current position)</i> |             |         | Residual Risk Scores<br><i>(after mitigating actions and controls)</i> |             |         | Action Owner | Action Due Date | Progress Update | Date Action Completed |
|--------------------|-------------------------|----|---------------|------------|---|---------------------------------------|---|---|-------------|---------|---------------------------------|---|-------------|---------|--|-------------|---------|--------------|-----------------|-----------------|-----------------------|
|                    |                         |    |               |            |   |                                       |   | Impact  | Probability | Score   |                                 | Impact  | Probability | Score   | Impact   | Probability | Score   |              |                 |                 |                       |
|                    |                         |    |               |            |   |                                       |   | (1-5)   | (1-5)       | (I x P) |                                 | (1-5)   | (1-5)       | (I x P) | (1-5)  | (1-5)       | (I x P) |              |                 |                 |                       |

### Finance & Support Directorate

#### Finance

|  |  |      |           |             |   |  |   |   |   |    |  |   |   |    |   |   |    |             |   |   |
|--|--|------|-----------|-------------|---|--|---|---|---|----|--|---|---|----|---|---|----|-------------|---|---|
|  | HRA Reform (Debt)  | FM21 | Financial | Bev Dixon   | Incurring additional costs, which could be substantial.   | Impact of HRA Reform (Debt). There will be lack of capacity to understand implications and to deal with massive increase in debt levels.   | Inability to afford the debt management, depletion of reserves, financial instability.  | 5 | 3 | 15 | Workloads prioritised appropriately and capacity made available to support priority areas  | 5 | 3 | 15 | 5 | 2 | 10 | Bev Dixon   | 26 March 2012 - Settlement payment due to CLG | Announcement on special PWLB rates for HRA reform borrowing has reduced some of the uncertainty. However lack of available guidance, conflicting priorities and limited capacity remain significant risks.  |
|  | Security of investments                                      | FM22 | Financial | Bev Dixon   | The use of cover arrangements for the post will result in a lack of continuity, expertise and capacity which may lead to failure to follow strict procedures and to errors and omissions. | The resignation and departure of the Assistant Accountant covering treasury management including cashflow and daily dealing  | Loss of investment interest (and less likely principal) - negative impact on revenue budget. Failure to deliver priority tasks (eg Financial Instruments working papers for Statement of Accounts). Negative audit implications | 4 | 4 | 16 | Priority given to securing and training suitable cover arrangements, and to permanent recruitment. Additional checking and supervision by Finance Manager (Treasury ) and others | 4 | 4 | 16 | 4 | 2 | 8  | Bev Dixon   | Ongoing until recruitment to vacant post      | Negative impact of using temporary cover arrangements is impacting on the quality and robustness of TM operations across the board. Other workloads impact on FMs ability to supervise and check. Interviews for permanent cover are scheduled for 8 December |
|  | Secure Cash Collection                                       | FM23 | Financial | Matthew Lee | We do not have a cash collection supplier.  | Due to HSBC's restrictive supplier policies only two carriers are authorised to provide bulk deposits and withdrawals from HSBC cash centres. This severely restricts the tendering process. | Cash and cheques not being collected.   | 5 | 3 | 15 | Working with Procurement and Legal to develop waiver agreements and collaborative negotiations to formalise a contract with the preferred supplier.                              | 5 | 3 | 15 | 5 | 2 | 10 | Matthew Lee | 01 July 2012                                  | Susan Hinds has completed a timetable of dates for this project, further stakeholder meetings will be scheduled in December/January work will commence on the PQQ in December to be completed by 15th March 2011.   |
|  | Deliver a Value for Money service - Overall Service Delivery | FM25 | Staffing  | Bill Lewis  | Key staff leave and / or recruitment is not possible due to pay structures  | Pay and Grading has reduced pay grades and removed career progression. Rules around market supplements are reactive rather than proactive.   | Service delivery problems or overspends due to need to take on temporary staff cover  | 5 | 4 | 20 | Review staffing structure, consider revising job descriptions to improve descriptors for external candidates. Review processes to ensure better cover/back fill                  | 5 | 4 | 20 | 4 | 4 | 16 | Bill Lewis  | Ongoing                                       | Exit interview results being monitored and where recruitment proves to be an issue, market supplement will be investigated.   |

#### Human Resources

No high risks currently reported for this service area.

#### Revenues & Benefits

|                    |   |    |                    |             |   |  |   |   |   |    |   |   |   |    |   |   |    |                          |         |   |
|--------------------|---|----|--------------------|-------------|---|--|---|---|---|----|---|---|---|----|---|---|----|--------------------------|---------|---|
| Quality services   | Effective and prudent financial management                  | 19 | Financial          | Ian Tyrer   | Potentially Reduced collection rates  | Welfare Reform   | Reduced income levels could lead to reduced collection of tax and other debts owed to the Council                                       | 5 | 5 | 25 | As above work will be required to communicate reduced levels of income and impact on collection. Work on debt counselling and fair / single recovery of Council debts also key to ensuring in the long-term debts are recovered. Yearly collection does remain the key risk.  | 5 | 3 | 15 | 5 | 3 | 15 | Ian Tyrer / Steve Archer | Ongoing | Above work and the commencement of a debt resolution meeting has started work to mitigate the issue / ensure customers are not put into hardship through high rates of collection across service areas RB 01/04/2011. As benefit rates reduce we have every indication that recovery of income and debt owed to the Council could reduce. We will be closely watching collection through our KPI to identify significant changes in collection. RB 06/12/2011 |
| Support for people | Customer needs are understood / Excellent customer services | 21 | Customers/citizens | Robin Bates | Poverty in the Community as Customers are struggling to meet financial commitment of housing costs. This will occur as a result of reduced benefit levels and welfare reform. | Overspending the DHP allocation. Exhausting the fund mid - year leaving vulnerable individuals and groups at risk of eviction. | Expense to NBC as expenditure above cap will impact the general fund. Increased homelessness in vulnerable and non - vulnerable groups. | 4 | 5 | 20 | Audit trail within Northgate for Accounting purpose. TL review quarterly to ensure that spending is authorised and valid. Welfare reform programme looking at plan on DHP expenditure including profiling spend based on vulnerability etc. Affordable housing schemes and temporary housing schemes will assist in assisting a number of those effected. | 4 | 4 | 16 | 4 | 4 | 16 | Steve Archer             | Ongoing | We continue to monitor the spend of DHP's on a monthly basis RB 07/06/2011. Estimates of those effected by reduced levels of benefit and wider welfare reforms indicate that spend on this budget is likely to be under severe pressure. In 2011 / 12 alone £2.2 million was reduced from the benefit we pay to people. In 2012/13 this will likely be significantly higher, leading to spend above the Councils funded DHP. RB 06/12/2011                    |

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| Corporate PRIORITY   | Service area objectives  | ID | Risk Category  | Risk Owner     | The Risk<br><i>(there is a risk that)</i>   | Risk Cause<br><i>(as a result of)</i>   | Risk Impact<br><i>(which may result in)</i>   | Inherent Risk Scores<br><i>(assume no controls)</i> |                      |                  | Mitigation Actions and Controls   | Actual Risk Scores<br><i>(current position)</i> |                      |                  | Residual Risk Scores<br><i>(after mitigating actions and controls)</i> |                      |                  | Action Owner | Action Due Date | Progress Update   | Date Action Completed |
|  |  |    |  |                |   |   |   | Impact<br>(1-5)                                     | Probability<br>(1-5) | Score<br>(I x P) |   | Impact<br>(1-5)                                 | Probability<br>(1-5) | Score<br>(I x P) | Impact<br>(1-5)  | Probability<br>(1-5) | Score<br>(I x P) |              |                 |   |                       |
| <b>Customer Services</b>   |  |    |  |                |   |   |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                 |   |                       |
| Quality Services   | Continued employee development   |    | Service delivery   | KG             | Increased staff dissatisfaction and increased absence and turn over                     | Re-location of contact centre to the Guildhall  | Poor customer service   |   |                      | 15               | Consider options, monitor staff carefully and involve them in the move                      |   |                      | 15               |  |                      | 10               | KG           | May-11          | Sept 11 All staff have had recent 1:1's to discuss issues<br>Issues log being completed by all staff to identify new concerns.<br>Staff seem to be getting use to the environment, although noise levels are still an issue. Sound Boards to be installed by 16th October. Finalizing the new CIO1 and 2 progression criteria pack  |                       |
| <b>ICT</b>   |  |    |  |                |   |   |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                 |   |                       |
| A confident ambitious and successful Northampton                           | ISDN30 lines to Westbridge   | 22 | IT/Service delivery  | Gary Steng     | No external telephones  | Closure of Cliftonville House   | NBC staff unable to deliver effective services to customers                             |   |                      | 25               | Investigate options and come up with project plan and costs.                                |   |                      | 15               |  |                      | 2                | AJB          | 31.10.11        | Reviewing ISDN lines into Westbridge. Awaiting prices on ISDN lines. Lines ordered. Installation commenced 2.12.11  |                       |
| A confident ambitious and successful Northampton                           | Improved Customer Service  | 24 | Customers  | Gary Steng     | No point of contact available to customers.   | Contact Centre server failure   | One Stop Shop overloaded. Bad publicity. Unhappy customers.                             |   |                      | 25               | Investigating redundant server at Westbridge  |   |                      | 16               |  |                      | 1                | AJB          | 31.10.11        | Server in place with additional warranty. Warranty increased and server to be built by 15.8.11. Server configured and ready to be tested by Contact Centre. Date to be agreed.  |                       |
| <b>Facilities</b>  |  |    |  |                |   |   |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                 |   |                       |
| A well managed organisation that puts customers at the heart of what we do | Ensuring Incoming & Outgoing mail is delivered within timescales                             |    | Service delivery   | SE             | Receipt and delivery of mail delayed  | Strike by Royal Mail  | legal implications, Revs & Bens implications  |   |                      | 15               | business continuity re Royal Mail   |   |                      | 15               |  |                      | 8                | CK & SE      | Ongoing         | CK & SE have investigated the possibility of using other companies, however it appear that our best options is to stay with Royal Mail, as other companies transfer mail to their sorting depots which is often out of Northampton and can be up to 100 miles away, they then bring the mail back to Northampton Royal Mail depot. Therefore there is no benefit of using another company. However the risk remains the same.   | On-going              |
| A well managed organisation that puts customers at the heart of what we do | Ensuring operational buildings are fit for purpose, secure and accessible to staff & public. |    | Emergency Exits  | CK             | In the event of Evacuation Emergency exits not wide enough for evac of all staff        | Emergency Exits not wide enough in the event of emergency evacuation, legislation has changed and the number of people now based at the Guildhall | Staff & customers not being able to evacuate quickly creating a "bottle neck" situation |   |                      | 15               | Full evacuation with building control to audit and analyse the situation                    |   |                      | 15               |  |                      | 6                | CK           | End July 2011   | Full Evac planned for end June when all staff have been moved into the Guildhall, and Guildhall at full capacity. Evacuation was done June, it has identified that we need a 3rd Assembly point, new procedures being worked on at present. Fire Evac Plans to be re-visited with slight changes, to have full Evac and test Fire Evac Plans to be re-visited with slight changes, to have full Evac and test. Fire marshal meeting to be arranged by end Nov 2011<br>New Procedure in place "clear Building Policy" meeting with Fire Marshals planned for 14th Dec 11, thereafter procedures put on intranet, and full evacuation planned | Dec-11                |
| A well managed organisation that puts customers at the heart of what we do | Ensure the Guildhall waste is secure are removed regularly                                   |    | Service delivery   | CK             | Arson, or fire to bins  | Bin store is at side of building and exposed  | Damage to Guildhall and surrounding buildings   |   |                      | 15               | Store (loading bay), is locked at 5.30pm and open again at 6.30am CCTV in operation         |   |                      | 15               |  |                      | 10               | CK           | On-going        | This is an on-going problem, there is no alternative, the bins are emptied regularly, and staff awareness.  | On-going              |
| A well managed organisation that puts customers at the heart of what we do | Ensuring operational buildings are fit for purpose, secure and accessible to staff & public. |    | Problems with cleaning due to TUPE transfer lack of suitably trained cleaning staff. | CK             | Deterioration in cleaning within the Guildhall  | Due to TUPE transfer require to re-structure cleaning   | Area's not meeting required cleaning standards  |   |                      | 25               | Re-Structure Business Case submitted for Management Board and MTUCM approval to be approved |   |                      | 25               |  |                      | 5                | CK           | Nov-11          | No longer Re-Structure, to look at employing 3 x FTE Cleaners, due to new recruitment portal not accessible for cleaners to recruit in this manner, therefore to start agency staff by end November on temp basis.  | Dec-11                |
| <b>Housing Directorate</b>   |  |    |  |                |   |   |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                 |   |                       |
| <b>Landlord Services</b>   |  |    |  |                |   |   |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                 |   |                       |
| No high risks currently reported for this service area.                    |  |    |  |                |   |   |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                 |   |                       |
| <b>Strategic Housing</b>   |  |    |  |                |   |   |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                 |   |                       |
| Helping you to have a home   | Financial  |    | Financial  | Ian Swift      | Increased use of expensive B&B for homeless Landlords requiring temporary accommodation | Economic climate. Reduction in affordable housing supply.   | Increased pressure on general fund.   |   |                      | 16               | Using HRA properties and looking at developing social lettings agency.                      |   |                      | 16               |  |                      | 9                | Fran Rodgers | TBA             | Business Case for social lettings agency.   |                       |
| Quality Services   | Health and Safety  |    | Reputation   | Lesley Wearing | Failure to recognise a safe guarding issue resulting to the death of a child.           | Lack of training and awareness.   | Child abuse/neglect.  |   |                      | 15               | Regular training for all relevant staff and specific training for new starters.             |   |                      | 15               |  |                      | 10               | Fran Rodgers |                 | Training programme in place.  |                       |

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|  |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| <b>Planning &amp; Regeneration Directorate</b>                     |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| <b>Planning</b>  |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| CPO3 A<br>Confident,<br>Ambitious and<br>Successful<br>Northampton |   | RM11 | Risk                      | Sue Bridge | Failure to achieve corporate objectives                                      | Poor communication & involvement on projects between departments especially the creation of the Leisure Trust and PES and impact on negotiating Sec 106 Agreements | Loss of reputation                          | 5   | 3                    | 15               | Continue to work closely and align objectives to corporate plan. Need to engage in discussion to assess requirements and ensure that arms length companies are engaged in the planning process  | 5   | 4                    | 20               | 3  | 3                    | 9                | SB           | 30/09/11                 | Relevant people from Enterprise and LT need to attend meetings as scheduled and at the appropriate level. This is not happening at the moment. Julie Seddon requested to send representative from client side to relevant meetings who will be authorised to deal with Section 106 matters. | 30/09/11              |
| <b>Regeneration Development &amp; Assets</b>                       |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| No high risks currently reported for this service area.            |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| <b>Assistant Chief Executive Directorate</b>                       |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| <b>Performance &amp; Change</b>                                    |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| No high risks currently reported for this service area.            |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| <b>Communications</b>  |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| No high risks currently reported for this service area.            |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| <b>Democratic Services</b>   |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| No high risks currently reported for this service area.            |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| <b>Community Engagement</b>  |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| No high risks currently reported for this service area.            |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| <b>Borough Solicitor Directorate</b>                               |   |      |                           |            |  |  |   |   |                      |                  |   |   |                      |                  |  |                      |                  |              |                          |   |                       |
| 3. A confident, ambitious and successful Northampton.              | Support regeneration schemes through the provision of legal advice and action | B7   | Reputational              | FF         | The Council is unable to progress the redevelopment of key sites             | Insufficient legal capacity to provide advice and action on large procurement, contract and land issues  | Site not being delivered in a timely manner | 4   | 4                    | 16               | Early work with clients to ensure the requirements for legal input are included in project plans and involvement in project groups  | 4   | 4                    | 16               | 2  | 2                    | 4                | DM           | As projects arise        | As projects arise.15/7/11 Resilience added to team with retaining of overflow capacity on an adh hoc arrangement.   |                       |
|  |   | B8   | Reputational<br>Financial | FF         | The costs of the project are increased as a result of outsourcing legal work |  | Projects not being delivered within budget  | 4   | 4                    | 16               | 1) Work with clients to ensure the requirements for legal input are included in project plans<br>2) Borough Solicitor to join PIG Group to review scope of projects at approval stage to ensure legal requirements are included in scope. | 4   | 4                    | 16               | 2  | 2                    | 4                | DM           | 1) on-going<br>2) Feb 11 | 1)Despite liaison with clients legal element of schemes not allowed for resulting in high cost outsourcing. 2) Borough Solicitor joined PIG Group to ensure legal requirements included in project scoping  |                       |

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| <b>Environment &amp; Culture Directorate</b>            |  |      |               |                 |   |  |   |   |                   |               |   |   |                   |               |  |                   |               |  |  |   |                       |
| <b>Public Protection</b>                                |  |      |               |                 |   |  |   |   |                   |               |   |   |                   |               |  |                   |               |  |  |   |                       |
| No high risks currently reported for this service area. |  |      |               |                 |   |  |   |   |                   |               |   |   |                   |               |  |                   |               |  |  |   |                       |
| <b>Neighbourhood Environmental Services</b>             |  |      |               |                 |   |  |   |   |                   |               |   |   |                   |               |  |                   |               |  |  |   |                       |
| No high risks currently reported for this service area. |  |      |               |                 |   |  |   |   |                   |               |   |   |                   |               |  |                   |               |  |  |   |                       |
| <b>Culture &amp; Leisure</b>                            |  |      |               |                 |   |  |   |   |                   |               |   |   |                   |               |  |                   |               |  |  |   |                       |
| CO6 - A vibrant and welcome Town                        | To deliver the Renaissance project 'Museum Improvement and the Creative Space' | CH1  | Financial     | William Brown   | Not meeting external spend deadlines - funding lost/ partially lost | Unforeseen project management/contractual/ contract issues | 1) Contractual commitments without the necessary funding to cover their cost<br>2) Expectations of the funding body (MLA) are not met impacting their view on future applications of funding to MLA/ACE | 5   | 4                 | 20            | 1) Early identification of project slippages so action can be taken (Clear PM reporting and systems); 2) Contingency/alternative spending plans drawn up to be implemented if necessary; 3) Engagement with relevant MLA officers to seek approval for virement of funding from initial plans | 5   | 3                 | 15            | 5  | 2                 | 10            | 1) Stuart Docker; 2) Will Brown & Stuart Docker; 3) Will Brown | 1) Monthly; 2) End October; 3) Quarterly | 1) no significant slippage 2) n/a at this stage 3) engagement ongoing |                       |
| <b>Town Centre Operations</b>                           |  |      |               |                 |   |  |   |   |                   |               |   |   |                   |               |  |                   |               |  |  |   |                       |
| A Confident, Ambitious and Successful Northampton       | Grosvenor Car Park Parking Machines  | CP02 | Car Parks     | Derrick Simpson | Unable to update tariff charges                                     | Obsolete parking machines                                  | Inability to produce parking tickets for customers  | 4   | 5                 | 20            | Replace obsolete ticket machines  | 4   | 5                 | 20            | 1  | 1                 | 1             | Derrick Simpson  | Ongoing                                  | New parking meters installed.   | Closed                |