

Agenda Item No:

Report to: Audit Committee

Date of Meeting: 26 September 2011

Report Title: Hastings BC Corporate Risk Register

Report By: Richard Homewood
Corporate Director Environmental Services

Purpose of Report

To inform the Audit Committee of the Corporate Risks facing Hastings BC and provide assurance that control arrangements are in place.

Recommendation(s)

1. To accept the report.

Reasons for Recommendations

As part of the Corporate Risk Management Strategy agreed by Cabinet in July 2009, the Corporate Risk Register is to be reviewed by the Audit Committee each year.

Introduction

Background

1. This is the second time that the Hastings BC Corporate Risk Register has been formally reviewed by the Audit Committee. Details of the methodology and terms commonly used were included in the first report presented at the 27 September 2010 meeting. A copy of that report is attached to this report at appendix B.
2. The Corporate Risks tend to be more significant than Operational ones and so in order to maintain focus, this report is dedicated to the Corporate Risks only. The Operational Risk Registers will be brought to the January 2012 meeting.
3. The Corporate Risk Register is intended to give the Audit Committee and Corporate Management Team a holistic view of the potential threats to the Council and the danger each one represents. The processes involve: -

Assessment and monitoring of a risk to the Council

The probability of the risk occurring

The impact to the Council should it occur

The Council's ability to avoid or reduce the impact

Whether the costs of preventative action are justified

4. The reason for reviewing these risks in this way is to manage risks that could potentially: -
 - Inhibit the Council's ability to operate effectively or efficiently,
 - Damage the reputation of the Council and/or affect funding opportunities/grants,
 - Put the Council at risk from legal proceedings
5. The main purpose of this report is that the status of all corporate risks is reviewed and changes in the level of perceived risks are monitored.

Main changes to risks in the past year

New risks

6. There has been 1 high and 1 medium new risk for the Council.
7. The new high risk to emerge concerns the disruption to some services whilst the Contact Centre is being implemented particularly if there is slippage due to structural changes at the Town Hall. The likelihood has been reassessed from medium to high. Senior Management are alert to the challenges and following through with the mitigating actions (appendix A, Target 18 refers).

8. The additional medium risk to emerge for the Council is the possibility of a national strike but the situation is being monitored and contingency arrangements are ready to be invoked (appendix A, Target 12 refers).

Removed risk

9. Last year, there was a potential risk that the Council might be unsuccessful in establishing new management arrangements for the Foreshore Trust. That risk no longer applies as the Charity Committee has been established with Hastings Borough Council as its main trustee. The risk no longer applies as a Corporate one but a new Operational Risk Register has been developed in collaboration with the Charity Committee.

Other changes to risk ratings

10. There has been just one other change with regard to a risk's overall rating. The potential risk affected related to target 17 last year, loss of Parking and Highways Agreements. This risk has been broadened out to include the implications from the loss of any agreements where Hastings Borough Council provides a service on behalf of one or more partner organisations. The risk is still high but the impact has been reduced on the basis that there is more time over which to implement the mitigation steps for other agreements.
11. There have been a small number of other minor adjustments.

Highest risks to the Council

12. These very highest risks to the Council are those that are of high likelihood and would have a high impact. These are denoted as High2 at appendix A and are:

High2 Reductions in Government funding

High2 Changes in Central Government policy and decision making and changes In European Legislation which impact on the Council

High2 Partnership regeneration programme remain uncompleted or stalled due to a lack of funding and focus.

High2 Increased economic/social deprivation

13. Potential risks that would have a high impact and medium probability of occurring are denoted by High1 and those that would have a medium impact but high chance of occurring are denoted as High3 at appendix A. Since these are still high potential risks for the Council but not as high as those at High2 above, they are listed here:

- High1 Insufficient capacity / Organisational change whilst maintaining service delivery.
- High1 Loss of key staff / skills / knowledge
- High1 Risk of a successful legal challenge with additional emphasis around the Planning Process which has emerged as more open to challenge.
- High1 Ineffective Project Control
- High1 IT Systems/data loss. (IT Systems exposed to some vulnerability. Data loss is better protected through regular frequent back-ups).
- High1 Severe Business Disruption
- High3 Implications from the loss of agreements where HBC provides a service on behalf of one or more partner organisations.
- High3 Disruption to some services whilst the Contact Centre is being implemented particularly if there is slippage due to structural changes at the Town Hall.

14. The mitigating actions to the above risks are monitored via a 'dashboard' approach monthly and are formally reviewed every quarter.

15. The detailed Corporate Risk Register can be found at appendix A.

Wards Affected

None

Area(s) Affected

None

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	No
Economic/Financial Implications	No
Human Rights Act	No
Organisational Consequences	No

Background Information

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