

## APPENDIX A



| Top Risk Code & Title       | <b>TR39 North Hertfordshire Museum &amp; Hitchin Town Hall Project</b>  |
|-----------------------------|---|
| <p><b>Description</b></p>   | <p>To implement plans for one gallery, museum and community venue in a town centre location.<br/>           To improve storage and research facilities.<br/>           The Council is converting Hitchin Town Hall to a joint community facility and as the location for the district museum. Some storage will be available at the Town Hall but further consideration needs to be given to the requirement for storage/workshop and research facilities.<br/>           Although the Council has attempted to comply with DDA, existing museum buildings and collections are not fully accessible to all.</p> <p><b>The risks to the current project are:</b></p> <ul style="list-style-type: none"> <li>- Completing the project by late summer 2015</li> <li>- Identifying currently unknown issues with the building during restoration, impacting on time, costs and potentially quality of the project</li> <li>- Relationship and effectiveness of the design team and main contractor</li> <li>- Effectiveness of Project Board in controlling the project</li> <li>- Failure to select the best contractors or use the best method to deliver the construction of the project</li> <li>- Failure to select the best contractors or use the best method to deliver the fit out of the museum</li> <li>- Loss of or unavailability of or capacity of key personnel at NHDC</li> <li>- Loss of or unavailability of or capacity of key personnel at Hitchin Town Hall Ltd and potential failure to mobilise resources to operate the building</li> <li>- Lack of fund raising and a ramp up plan from Hitchin Town Hall Ltd</li> <li>- Failure to adhere to the Development Agreement</li> <li>- Delays to project from contractual disputes/contract specification not being met</li> <li>- Failure to adhere to/obtain Listed Building Consent</li> </ul> <p><b>The risks to the museum service arising from the proposal are:</b></p> <ul style="list-style-type: none"> <li>- A delay in opening the museum will result in a reputational risk, as the public cannot view the museum</li> <li>- A reputational risk if the design of the new museum falls short of expectations</li> </ul> |
| <p><b>Opportunities</b></p> | <ul style="list-style-type: none"> <li>- Provide new museum</li> <li>- Improve storage</li> <li>- Achieve revenue savings</li> <li>- Safeguard important community facility for public use</li> </ul>   |

|                             |   |                                 |  |
|-----------------------------|---|---------------------------------|--|
| <b>Consequences</b>         | <ul style="list-style-type: none"> <li>- Quality and lack of storage capacity impacts on management and interpretation of collections (negative impact on quality of service)</li> <li>- Quality of facilities remains poor (negative impact on quality of service)</li> <li>- Services become unsustainable (financial, quality and HLF grant issues)</li> <li>- Poor value for money</li> <li>- Any time delays will have a significant negative financial impact on NHDC with financial penalties accruing</li> <li>- Hitchin Town Hall Ltd is unable to repay loans</li> <li>- Increased capital and revenue costs to NHDC if project is implemented but Hitchin Town Hall Ltd withdraws prior to completion and does not fund the capital build or if there are any delays in completion</li> <li>- Reputation risk of the project not proceeding is significant</li> </ul>  |                                 |  |
| <b>Service Area</b>         | Customer Services   |                                 |  |
| <b>Lead Officer</b>         | John Robinson   | <b>Cabinet Member</b>           | Portfolio Community Engagement & Rural Affairs |
| <b>Current Risk Matrix</b>  |   |                                 |  |
| <b>Current Impact Score</b> | 3   | <b>Current Likelihood Score</b> | 3  |
| <b>Date Reviewed</b>        | 25-Sep-2014   | <b>Next Review Date</b>         | 31-Dec-2014                                    |
| <b>Work Completed</b>       | <ul style="list-style-type: none"> <li>• Council has authorised the project</li> <li>• The Council and Hitchin Town Hall Ltd have signed the development agreement</li> <li>• Project being managed under PRINCE2 and Project Board including representation from all parties established</li> <li>• Key organisations are represented on specific projects</li> <li>• Arts, Museums and Heritage Forum meets regularly/receives regular newsletters</li> <li>• Object assessment for the new museum carried out and draft themes for exhibition areas in the museum have been considered</li> <li>• Link between Asset Management Group and Project Board for museums in place</li> <li>• Business plan in place with Hitchin Town Hall Ltd</li> <li>• HLF bids Phase 1 and 3 successfully achieved</li> <li>• Audience development consultant appointed; consultation with range of user/non-user groups took place, report written</li> <li>• Listed Building Consent for services agreed</li> </ul> |                                 |  |

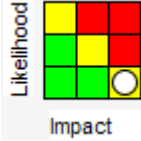
### **Ongoing Work**

- Arts, Museums and Heritage Forum meets regularly/receives regular newsletters
- Museum Services blog, NHDC Twitter feed, Facebook and Flickr accounts post updates
- Regular exception reports provided for Cabinet; Information Notes are circulated via Area Committees or MIS
- Key organisations are represented on specific projects
- Work undertaken with partners to develop a specific storage facility; however, the need to deliver efficiencies has pushed the development of one museum to the fore
- Key collections are being digitised to enable them to be published on the web
- Main contractor given possession of site in October 2013, work commenced November 2013 with a 57 week build contract
- Contractor and architect work closely to resolve any issues that arise during the construction
- Opportunities for storage and research facilities are being monitored and specific proposals will be developed following the completion of this project

|                                  |   |                                 |                                 |
|----------------------------------|---|---------------------------------|---------------------------------|
| <b>Top Risk Code &amp; Title</b> | <b>TR50 Replacement Payroll System/Payroll Service</b>  |                                 |                                 |
| <b>Description</b>               | <p>Payroll Service through the Hertfordshire County Council Shared Managed Service Contract through Serco implemented on 1 April 2014. There is a risk that due to the implementation of new payroll arrangements with Serco there could be:</p> <ul style="list-style-type: none"> <li>- additional costs over an above those allowed for</li> <li>- errors or omissions by Staff/Serco</li> <li>- insufficient controls in place</li> </ul> <p>Any failure of our payroll service would result in:</p> <ul style="list-style-type: none"> <li>- NHDC being unable to meet its contractual obligations to pay employees</li> <li>- NHDC being unable to meet its statutory obligations to report information and make payments to HMRC and other third parties such as HCC for pensions</li> </ul> <p>This will give rise to potential liabilities for breach of contract if staff are not paid on time and fines from HMRC if submissions are not made on time.</p> |                                 |                                 |
| <b>Opportunities</b>             | - A new payroll service that provides improved resilience   |                                 |                                 |
| <b>Consequences</b>              | <p>The consequences of this risk include:</p> <ul style="list-style-type: none"> <li>- breach of contract if staff not paid on time</li> <li>- fines from HMRC if submissions are not made on time</li> <li>- staff may make incorrect expenses claims</li> <li>- Serco may make errors in payments to staff</li> <li>- dissatisfaction of staff who are paid incorrectly</li> <li>- there is a financial loss to the Council</li> </ul>  |                                 |                                 |
| <b>Service Area</b>              | Human Resources   |                                 |                                 |
| <b>Lead Officer</b>              | Kerry Shorrocks   | <b>Cabinet Member</b>           | Portfolio Leader of the Council |
| <b>Current Risk Matrix</b>       |   |                                 |                                 |
| <b>Current Impact Score</b>      | 2   | <b>Current Likelihood Score</b> | 2                               |
| <b>Date Reviewed</b>             | 03-Nov-2014   | <b>Next Review Date</b>         |                                 |

|                              |   |
|------------------------------|---|
| <p><b>Work Completed</b></p> | <ul style="list-style-type: none"> <li>- Serco commenced to provide the payroll service from 1 April 2014</li> <li>- Member of HR Team retained to act as contract manager</li> <li>- IT have developed an online recruitment facility</li> <li>- Training provided to HR staff then all staff on new system</li> <li>- Payroll System Champions – approximately 25 Officers received training on the new system, so they can support their colleagues when the system went live</li> <li>- FAQ's and guides for staff are available on the intranet</li> <li>- Internal audit completed on the implementation</li> </ul> |
| <p><b>Ongoing Work</b></p>   | <ul style="list-style-type: none"> <li>- Gap analysis completed on our standard reports and those available from Serco completed and arrangements are in the process of being delivered to resolve this</li> <li>- Challenges and negotiations made when any additional costs are proposed by Serco</li> <li>- to implement agreed recommendations from the internal audit report</li> <li>- wherever staff are paid incorrectly emergency payments are made to correct the pay</li> </ul>  |

| Top Risk Code & Title | <b>TR56 Northern Transfer Station and Ancillary Facilities</b>   |                       |  |
|-----------------------|--|-----------------------|--|
| <b>Description</b>    | <p>NHDC owns the Bury Mead Hitchin Transfer Station which has been leased to the private sector. Hertfordshire County Council (HCC) currently operate a residual waste transfer solution for NHDC collected waste from this site until 2017. Maintenance of this site or an alternative Northern Transfer Station station is required to prevent additional transport costs for NHDC if refuse collection vehicles would need to travel outside the district and tip directly at the landfill site of up to £280,000 (gross of HCC transport subsidy of £100,000) and increased vehicle emissions</p> <p>The risks associated with a Northern Transfer Station project are:</p> <ul style="list-style-type: none"> <li>- Failure to agree a suitable site along the A1 corridor and development of a viable business case</li> <li>- Failure to obtain planning permission</li> <li>- Failure to gain required permits</li> <li>- Diversion of NHDC resources to support the project</li> <li>- Failure to develop a site in time, leading to significant increased financial and environmental risks</li> <li>- lack of control over a transfer station asset by either NHDC or HCC may lead to increased costs in the retendering of the waste contract</li> <li>- Failure of the Radwell site to accommodate any increase in recycling</li> </ul> <p>These risks could lead to the site not being built, which would lead to increased transport costs to transfer to alternative transfer sites and a failure to capture all savings from having one dedicated waste and recycling site/depot.</p> <p>Lack of a depot and recycling transfer station could impact on the procurement of the waste and street cleansing contract procurement as potential bidders may not find suitable depot sites which may increase operational costs.</p> |                       |  |
| <b>Opportunities</b>  | <ul style="list-style-type: none"> <li>- Reduction in transportation costs for NHDC and HCC and minimising the impact on the environment</li> <li>- Consolidation of existing facilities (depot, transfer stations for recycling and residual waste, HWRC) and dependant on location, working with other partners for other services (shared costs, economies of scale)</li> <li>- To improve operational efficiencies by providing one site for Household Waste (HCC), a depot and waste and dry recyclates transfer station</li> <li>- Work with East Herts, Stevenage and HCC on not only the transfer station but also potential amalgamation of waste contracts for economies of scale</li> </ul>   |                       |  |
| <b>Consequences</b>   | <p>The consequences of this risk are:</p> <ul style="list-style-type: none"> <li>- Transportation costs to ultimate disposal site continue to increase</li> <li>- Detrimental impact on the environment</li> <li>- Radwell operating 'at capacity' and service may be impacted if material can not be moved quickly enough. e.g in times of adverse weather, problems with haulier.</li> <li>- Radwell and Works Road depot not available to bidders for waste collection and street cleansing contract may lead to poor competition/ increased cost.</li> </ul>   |                       |  |
| <b>Service Area</b>   | Leisure & Environmental Services   |                       |  |
| <b>Lead Officer</b>   | Vaughan Watson   | <b>Cabinet Member</b> | Portfolio Waste, Recycling & Environment |

|                             |   |                                 |             |
|-----------------------------|---|---------------------------------|-------------|
| <b>Current Risk Matrix</b>  |    |                                 |             |
| <b>Current Impact Score</b> | 3   | <b>Current Likelihood Score</b> | 1           |
| <b>Date Reviewed</b>        | 24-Nov-2014   | <b>Next Review Date</b>         | 31-Mar-2015 |
| <b>Work Completed</b>       | <ul style="list-style-type: none"> <li>- Feedback to HCC strategic site allocation planning</li> <li>- Worked with HCC waste services in identifying suitable locations for a Northern Transfer Station</li> <li>- Stevenage/North Herts location aborted due to planning restrictions</li> <li>- workshop held to brief members on the issue at Burymead</li> <li>- Equality Assessment has shown there are no direct or indirect discrimination should the Sunday service cease.</li> <li>- Cabinet agreed to the cessation of Sunday residual waste disposal facility at Bury Mead</li> <li>- Contract let by HCC for continuation of transfer until March 2017. New contractor on site for October 2014.</li> <li>- Preliminary discussion held between HCC and NHDC on viability of sites within the Waste Allocations Document for combined depot and northern transfer station.</li> </ul>   |                                 |             |
| <b>Ongoing Work</b>         | <ul style="list-style-type: none"> <li>- Property Services, Estates, Waste and Legal working to resolve dilapidations at Burymead with Biffa to enable surrender of the lease. This could cost NHDC about £50,000</li> <li>- NHDC accepting a Royalty payment based on commercial activity at the site.</li> <li>- Dilapidations and contaminated land investigations ongoing with new contractor.</li> </ul> <p><b>Work in progress to resolve risk re Northern Transfer Station</b></p> <ul style="list-style-type: none"> <li>- Consider developing a transfer station in North Herts</li> <li>- Consider working with neighbouring authorities to develop a shared transfer site – informed by Herts Waste Partnership peer review in 2014</li> <li>- Development of a PID</li> <li>- Preliminary discussions surround the viability of sites within the Waste Allocations Document.</li> </ul> |                                 |             |