

Revised Top Risks - FAR Sept 15

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Risk Code	TR08	Risk Title	Managing the Council's finances
Risk Owner	Andy Cavanagh	Updated By	Andy Cavanagh
Year Identified	2003	Corporate Priority	Living within our means
Risk Description	<p>As a result of</p> <ul style="list-style-type: none"> - failing to manage the Council's finances - uncertainty of income from business rates - continuing reduction in Revenue Support Grant - loss of or reduction in New Homes Bonus - reduction in investment income - proposed efficiencies taking longer to deliver than estimated - proposed efficiencies not achieving estimated results - failing to take opportunities to generate or increase income - transfer of further functions to Local Govt, without adequate funding <p>Risks are:</p> <ul style="list-style-type: none"> - Failure to meet the statutory requirement to set a balanced budget each year. -Decline in staff morale and service resilience, -inability to provide adequate service levels in times of increasing demand due to impacts of benefit reforms -inadequate funding to meet Priorities for the district. -Failure to manage expectation of the public -Failure to meet customers demands and needs -Failure to manage the public's reaction to the potential loss of discretionary services. -Failure to have sufficient financial management skills in service managers (reduction in back office support staff leads to greater financial management responsibilities being put on budget holders. <p>This potential risk identified by Grant Thornton for local gov.)</p>		
Opportunities	<p>The Council's medium-term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities. The Council manages performance against budgets and manages its asset base. New Homes Bonus funding, although note potential for amendment in new Parliament, and ability to set planning fees locally</p>		
Consequences	<ul style="list-style-type: none"> • Cuts in services impact on the achievement of the Council's vision • Failure to bring budget base to manageable/affordable level & achieve efficiency target • Significant under or over spends on revenue budgets • Deferral of planned projects leads to inability to deliver the Priorities for the District • Failure to satisfy external assessment of value for money • Increase in complaints from the public about service levels 		
Work Completed	<ul style="list-style-type: none"> • Annual review of financial strategy <p>Use of capital funds for schemes that reduce future revenue liabilities and/or increase income generation opportunities to be prioritised</p> <p>MTFS reflects objectives to explore commercial income opportunities, generate income from assets, contribute to meeting social needs and also to encourage community leaseholders to take on more responsibilities for the running costs of assets they occupy</p> <ul style="list-style-type: none"> • Head of Service challenge sessions to facilitate better understanding of longer term service/saving options and agree the way forward • Benchmarking of key corporate/support services • consideration of longer-term service transformation • Budget review process • clear links to priorities and scoring mechanisms • detailed assessment of all service areas, with feedback to Challenge board 		

	<ul style="list-style-type: none"> • Revenue budget efficiencies target for 15/16 achieved although work required for later years • inclusion of financial management responsibilities in job descriptions and person specifications for budget holders <p>Council Tax increase agreed for 15/16 NHDC have joined Business rates pool for 15/16</p>		
Ongoing Work	<p>-Timely and accurate performance monitoring – quarterly reporting to Senior Management & Cabinet of key expenditure on higher risk areas and on key income (land charges/planning fees, car parking)</p> <p>- Land sales are being progressed, subject to Cabinet approval, with external support from property agents</p> <p>- Consideration will be given to using some of the interest receipts from investment of capital receipts to set up a Revenue Contribution to Capital fund. Should any increased income be received as a result of an improvement in interest rates in the year, we will consider making a contribution to such a fund.</p> <p>- With regard to use of capital receipts, for 2016/17 onwards a minimum retained capital threshold is set at £20million, being the approximate rolling average five-year capital programme value. This policy will be reviewed at least annually to consider the impact of changing interest rates and also at the point when the minimum capital threshold is approaching.</p> <ul style="list-style-type: none"> • continue with subscription to LG Futures financial briefings • exploration of collaborative procurement options and shared service delivery • build on previous work with regard to income generation and cost reduction activities, at least partly via SMG projects • training opportunities for non-financial managers <p>- Management will continue to ensure that service managers are engaged in the budgetary control process via management team meetings, briefings on the council's financial position and day to day management</p> <p>- Regular financial updates ensure that issues are highlighted and resolved in a timely manner, that forecasts are based on information "from the bottom up" and therefore the overall financial resilience of the council can be ascertained.</p>		
Current Impact Score	3	Current Likelihood Score	3
Current Risk Matrix	<p>The risk matrix is a 3x3 grid. The vertical axis is labeled 'Likelihood' and the horizontal axis is labeled 'Impact'. The top-right cell (High Likelihood, High Impact) is red and contains a white circle, indicating a high-risk area. The other cells are yellow or green.</p>		
Date Reviewed	30-Jul-2015	Next Review Date	30-Nov-2015
	FINANCIAL		
	OPERATIONAL		
	STRATEGIC		

Risk Code	TR59.002	Risk Title	Waste and Recycling Services for flats
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2013	Corporate Priority	Working with our communities
Risk Description	<p>A new commingled recycling, weekly food waste and weekly residual waste collection service was introduced in the summer of 2013 for flats. There are a number of risks arising from and to this new service:</p> <ul style="list-style-type: none"> - Due to the tendering of the commingled recycling service by the HWP, there is a risk that the cost of the service will increase leading to additional revenue expenditure for the Council - There is a risk that the AFM payment received from HCC will stop .This would lead to a loss of income to the revenue account. - A sum of £853,000 was provided by the DCLG to introduce a recycling service to flats in North Herts. Liners have to be provided to flats or there will be a risk that the Council is in breach of the funding agreement with the DCLG -Decision on the continued viability of weekly services is required in line with the new waste and street cleansing contract procurement. 		
Opportunities	<ul style="list-style-type: none"> - Increased recycling - Reduced waste to landfill - Reduced waste arisings 		
Consequences	<p>The consequences of this risk include:</p> <ul style="list-style-type: none"> - An investment bid may be required to support the continuation of the service and this could result in other services having to be reduced to fund the weekly flats waste collection service - Failure to meet residents' expectations if caddy liners are no longer provided, resulting in increased complaints - Contamination of food waste or recycling, resulting in more waste going to landfill 		
Work Completed	<ul style="list-style-type: none"> - New service rolled out in the summer of 2013, resulting in an increase in recycling rate and less waste going to landfill - Further caddy liner delivery completed 		
Ongoing Work	<ul style="list-style-type: none"> - Review of success of food waste collections in 2015 - Funding that will cease from DCLG will need to be built into contract specification - Undergoing procurement for waste composition analysis for flats to inform decision of future service provision 		
Current Impact Score	2	Current Likelihood Score	1
Current Risk Matrix			
Date Reviewed	29-Jul-2015	Next Review Date	30-Nov-2015
	FINANCIAL		
	OPERATIONAL		
	PEOPLE		
	REPUTATION		

Risk Code	TR59.007	Risk Title	Sale of Materials
Risk Owner	Vaughan Watson	Updated By	Chloe Hipwood
Year Identified	2015	Corporate Priority	Living within our means
Risk Description	<p>As a result of</p> <ul style="list-style-type: none"> - Increasing supply and lack of demand for materials - lack of competition - the down turn in the market for materials - reduction in price for commingled material and/or waste paper - lack of direct management of contractor - loss of contractor - contamination <p>there is a risk that</p> <ul style="list-style-type: none"> - there is a reduction in price for commingled material and/or waste paper - there is a significant financial loss to NHDC - lack of control over contract - there is a need to find an alternative contractor at short/no notice - the contractor will reject loads that are considered contaminated. 		
Opportunities	Maximum income is obtained for the materials that can be recycled that have been collected by NHDC		
Consequences	<p>As a consequence of the risk occurring:</p> <ul style="list-style-type: none"> - there is a negative impact on the Council's General Fund - services may have to be cut to meet the shortfall - material that could be recycled goes to landfill - the facility at Radwell cannot store materials for any length of time leading to material going to landfill 		
Work Completed	NHDC is part of a consortium for recycling materials with other Hertfordshire authorities.		
Ongoing Work	<p>The consortium to respond to the request to reduce the price for waste paper. To consider options to reduce the likelihood in moisture contamination To consider contingency arrangements to be put in place to cover the loss of a contractor. Promotional campaigns to reduce contamination and increase the quality of materials. Separate soft plastics campaign. Budgets adjusted to reflect impact.</p>		
Current Impact Score	3	Current Likelihood Score	2
Current Risk Matrix			
Date Reviewed	01-Jul-2015	Next Review Date	30-Nov-2015
	FINANCIAL		
	OPERATIONAL		
	REPUTATION		

Risk Code	TR60	Risk Title	Increased Homelessness and Use of B&B
Risk Owner	Andy Godman	Updated By	Martin Lawrence
Year Identified	2011	Corporate Priority	Working with our communities
Risk Description	<p>As a result of:</p> <ul style="list-style-type: none"> - Welfare reform - Major difficulties accessing the private sector - In the mid term, a rise in the base rate of interest - Lack of suitable temporary accommodation - Vacancies in the Housing Options Team <p>There is a risk of:</p> <ul style="list-style-type: none"> - An increase in homelessness - A lack of alternative housing options - A lack of support from the Housing options Team - An increased use of B&B accommodation for homeless households 		
Opportunities	<ul style="list-style-type: none"> - Homelessness is minimised through prevention activity and there are options for those in housing difficulties 		
Consequences	<p>An increase in homelessness levels could lead to the full occupation of temporary accommodation units. This in turn would lead to increased usage of B&B accommodation, which would have the following consequences:</p> <ul style="list-style-type: none"> - A significant budget gap for the Council as, on average, only around 35% of housing benefit costs can be reclaimed by way of government subsidy - Adverse impact on households as B&B accommodation in itself is not ideal and it could also be located anywhere in Hertfordshire, or beyond - Negative publicity for the Council 		
Work Completed	<ul style="list-style-type: none"> -A review of all homeless households accommodated by the Council in order to establish whether an ongoing accommodation duty exists and if so, the best way to manage this • The ringfencing of social housing solely for homeless households in each weekly vacancy cycle - Entered into an agreement with Welwyn Hatfield Council to use any vacancies they have in temporary accommodation. 		
Ongoing Work	<ul style="list-style-type: none"> • Prioritising activities that establish whether a legal accommodation duty exists at the earliest possible stage • Liaising with registered providers and other local authorities in order to see whether alternative accommodation options exist • Liaise with Herts County Council on possibility of future specialist provision for single people • Review opportunities to improve move-on from temporary accommodation via the Common Housing Allocation Scheme • Review opportunities to improve access to the private rented sector • The ringfencing of social housing solely for homeless households in each weekly vacancy cycle Work with temporary accommodation providers to closer manage occupants and determine whether possession action needs to be undertaken at an earlier stage. This would release more places in temporary accommodation. • Work more closely with hostel residents in order to remove barriers to move-on eg rent arrears • Consider allowing homelessness acceptances to retain their status at their 'approach' address, thereby reducing the call on temporary accommodation • To review the structure of the Housing Options Team to improve resilience. • Review the standard of service that the public can expect from the Housing Options Team 		
Current Impact Score	3	Current Likelihood Score	3

<p>Current Risk Matrix</p>	 <p>Likelihood</p> <p>Impact</p>		
<p>Date Reviewed</p>	<p>11-Aug-2015</p>	<p>Next Review Date</p>	<p>31-Jan-2016</p>
	<p>FINANCIAL</p>		
	<p>PEOPLE</p>		