

APPENDIX ONE - NORTHAMPTON BOROUGH COUNCIL CORPORATE RISK REGISTER UPDATE AS AT 30th APRIL 2017

CORPORATE RISKS 2016-17 AS AT 30 th APRIL 2017		RISK RATING
1.	Failure to deliver a balanced budget 2018/2022	20
2.	Fail to manage or fail to deliver or expose to new risks as result of poor project management practice	16
3.	There is non-compliance with fire and Health and Safety legislation	15
4.	Plans for improving the economic prosperity and regeneration of Northampton are not delivered	12
5.	NBC fails to manage its partnerships (LGSS, NPH, NLT Amey)	12
6.	The Sixfields investigation may damage NBC's reputation and affect public and investor confidence	12
7.	Impropriety or improper business activities leading to fraudulent activity or malpractice	12
8.	Significant decisions made at Council and Cabinet level are not sufficiently robust to withstand legal challenge.	12
9.	Lack of organisational resilience (People)	12
10.	Inability of IT to service future requirements/and or loss of IT due to failure or cyber-attack	10
11.	Safeguarding arrangements are not adequate to protect or address concerns of vulnerable adults and children.	9
12.	Legal obligations under the Data Protection Act 1998 (and also the superseding GDPR EU Regulations in 2018) are breached	8
13.	Major or large scale incident (accident, natural hazard, riot or act of terrorism) business interruption occurs	4
14.	Inability to provide environmental services within cost and meeting customers' needs (closed risk)	4

IMPACT

5 Catastrophic		10	3	1	
4 Major	13, 14	12	4, 5, 6, 7, 8	2	
3 Moderate			11	9	
2 Minor					
1 Insignificant					
LIKELIHOOD	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain

CORPORATE PRIORITIES	
CP1 NORTHAMPTON ALIVE	A Vibrant Successful Town For Now And In The Future
CP2 SAFER COMMUNITIES	Making You Feel Safe and Secure
CP3 HOUSING FOR EVERYONE	Helping Those That Need It To Have A Safe And Secure Home
CP4 PROTECTING OUR ENVIRONMENT	A Clean And Attractive Town For Residents & Visitors
CP5 LOVE NORTHAMPTON	Enhancing Leisure Activities For Local People & Encouraging Participation
CP6 WORKING HARD & SPENDING YOUR MONEY WISELY	Delivering Quality Modern Services

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No	Corporate Priority	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Residual Risk Rating	Risk Owner	Update & Date
							Q3	Q4				
1	CP1 CP2 CP3 CP4 CP5 CP6	Failure to deliver a balanced budget 2016/2020	<ul style="list-style-type: none"> ▪ Council unable to deliver sufficient savings to balance budget ▪ Major projects don't deliver planned benefits ▪ Complacency in the organisation ▪ Increased organisational change and complexity ▪ Changes in govt. funding particularly NNDR 	<ul style="list-style-type: none"> • Inability to set a legal budget • Depleted Reserves • Need to realise capital receipts • Inability to deliver services to meet customer need/demand 	25	<ul style="list-style-type: none"> • Review reserves strategically • Robust monitoring of budgets by services and taking early remedial action where issues identified. • Management Board action to limit spending where appropriate and communicate to staff on spending restrictions • 17/18 budget set (incorporating £1.8 savings) to bring down budget gap • Efficiency & MT Finance Board set up and tasked to balance financial position • Quarterly financial reporting to Cabinet • Regular financial reporting to the Efficiency & MT Finance Board, Management Board and Executive Programme Board • Weekly meeting with Finance PH • Regular monthly financial monitoring (incl. projections) • First roll-out of financial training to relevant staff (Overview of Finance & Budget-Management) • Finance Away Days for Boards and HoS) 		20	<ul style="list-style-type: none"> • Options appraisal to close budget gap (Sept 17-March 18) • Proposal for the monthly financial reporting to Cabinet to incorporate a much wider reporting remit across the Council (June 17) • Continuation of the roll-out of financial training seminars to relevant staff on sound financial management and also incorporating an emphasis on commercialisation skill-sets (On-going) 	10	Glenn Hammonds	Continuing reductions in government funding both previous and planned to 2020 and also the increasing cost of services (particularly environmental services) maintain this risk at a red level in our financial position at this time.
2	CP1 CP2 CP3 CP4 CP5 CP6	Fail to manage or fail to deliver or expose to new risks as result of poor project management practice	<ul style="list-style-type: none"> ▪ Lack of a clearly-defined project management governance structure ▪ Inadequate checks and balances ▪ Inadequate project documentation - business case in particular 	<ul style="list-style-type: none"> • Wrong decisions made on an unviable business case • Continual review of the project – stopping the continuation on unviable project • Reputation • Financial costs • Pressure on resources • Pay back on investment funds if not delivering 	20	<ul style="list-style-type: none"> • Appt. of new and experienced Director of Regeneration • Review of project documentation and gateway review process • More frequent review of business cases throughout project lifecycle • More robust governance processes (as per above risk on governance) 		16	<ul style="list-style-type: none"> • Continue to develop and install more robust governance processes (On-going) • Director-led reviews of project structure, processes and efficacy (On-going) 	4	Francis Fernandes	Risk remains current at this time

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3	CP1 CP2 CP3 CP4 CP5 CP6	There is non-compliance with fire and Health and Safety legislation.	<ul style="list-style-type: none"> ▪ Lack of a clear strategy ▪ Managers not understanding their accountabilities for H&S ▪ Staff error ▪ Legislation not adequately adhered to/implemented ▪ Processes not followed 	<ul style="list-style-type: none"> • Continuing lack of a clear strategy /strategic direction • Death or injury to public or staff • Criminal prosecution or civil litigation • Service stopped • Loss of public trust • Action by H & S executive or Northants Fire and Rescue • Fines to organisation • Corporate manslaughter charges • Insurance claims • Financial loss 	20	<ul style="list-style-type: none"> • Established People Support Team (HR & Health & Safety) • Corporate Health & Safety Group set up and in place • Upskilling of managers in terms of H&S responsibilities • Audit & Inspection Framework in place • H&S Matrix in place cross-referencing role profiles to required H&S training • Review of H&S policies and procedures and refreshed where appropriate • Refresher staff comms and training 		15	<ul style="list-style-type: none"> • Working to implement Action Plan arising from the H&S review (June 17) • Working towards achieving Workplace Wellbeing Charter (Dec 17) 	10	Francis Fernandes	As at April 17 we are working on raising every individual's awareness and responsibility for ensuring a safe place to work with the Transformation Team focusing on employee wellbeing. Nevertheless despite these factors this risk still remains red at this point in time.
4	CP1 CP2 CP3 CP4 CP5	The plans for improving the economic prosperity and regeneration of Northampton are not delivered.	<ul style="list-style-type: none"> ▪ Projects running late either being taken forward or late in delivery ▪ Our projections on economic benefits are not realized ▪ Market shifts due to competition from other enterprise zones and destinations ▪ Potential Brexit impact ▪ Political uncertainties 	<ul style="list-style-type: none"> ▪ Investors not investing in the town or pulling out of partnership arrangements ▪ Jeopardising current and future Northampton Alive projects ▪ Damage to the Northampton brand as a place of choice 	16	<ul style="list-style-type: none"> • New Director of Regeneration appointed with wide-ranging experience of projects, programmes and successful delivery • Regular reporting to Cabinet • Regular dialogue and reporting to PH • Lessons-learned reviews being held 		12	<ul style="list-style-type: none"> • Plans being developed in terms of QA and process and service capability in structure (Sept 17) • Carrying out a strategic review of programmes and projects to prioritise in accordance with benefit (Sept 17) • Strategic review of Northampton as a Place to identify socio-economic priorities (April 18) 	8	Stephen Hing	Stephen Hing We are at an early point in the regeneration and as such this risk can only be mitigated in full over the period of strategy

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5	CP1 CP2 CP3 CP4 CP5 CP6	NBC fails to manage its partnerships with: <ul style="list-style-type: none"> • LGSS • NPH • NLT • NCC • Amey 	<ul style="list-style-type: none"> ▪ Poor governance ▪ Lack of contract monitoring ▪ Lack of quality control 	<ul style="list-style-type: none"> • Services not delivered to quality, time and cost • Failure in fulfilling legal responsibilities • Hindering the achievement of the councils objectives • Negative impact to customers and stakeholders 	12	<ul style="list-style-type: none"> • Implement robust contract monitoring and quality control • Taking remedial action where required e.g. HR and Payroll coming back in-house 		12	<ul style="list-style-type: none"> • Review of management support contract (June 18) • Member/Cabinet briefings to be explored (Sept 17) 	8	Francis Fernandes	Risk remains current at this time as we progress our actions and mitigations
6	CP1 CP2 CP3 CP4 CP5 CP6	The Sixfields investigation may damage NBC's reputation and affect public and investor confidence in the organisation	<ul style="list-style-type: none"> ▪ Inadequate governance ▪ Inadequate checks and balances ▪ Inadequate record keeping ▪ Lack of a clearly-defined project management governance structure 	<ul style="list-style-type: none"> • Lack of confidence in NBC to deliver major projects and services • Lack of confidence from potential future investors and partners • Loss of £10m • High recovery costs • Legal implications 	20	<ul style="list-style-type: none"> • Project management and governance - project manager in post • Robust procurement process with robust specification and quality control mechanisms • Licence to Practice to focus on addressing identified weaknesses • Governance Action Plan in place • Use of external experts to advise/support the Council • Implementation of PWC report recommendations 		12	<ul style="list-style-type: none"> • Project Board and two investigations ongoing with PWC and Audit Committee (On-going) • Implementation of the Governance Action Plan (On-going) 	8	Francis Fernandes	As the investigations are not fully complete this risk remains red at this time.
7	CP1 CP2 CP3 CP4 CP5 CP6	Impropriety or improper business activities leading to fraudulent activity or malpractice	<ul style="list-style-type: none"> ▪ LGSS services returning - HR and Payroll - shifting accountabilities ▪ Lack of robust governance, procedure or process 	<ul style="list-style-type: none"> • Avoidable financial loss • Criminal prosecution • Civil litigation • Fines • Lack of confidence from staff or public • Reputational damage • Member criticism 	15	<ul style="list-style-type: none"> • Section 151 controls • Delegated authorities • Fraud register - review and refresh • Governance Action Plan in place • Review of policy and procedure • Review LGSS Finance SLA and process 		12	<ul style="list-style-type: none"> • To be managed as part of project management of LGSS services coming back in-house (On-going) • Implementation of the Governance Action Plan (June 17 & On-going) 	10	Francis Fernandes	The risk has declined from Rating 15 to Rating 12 as we continue to implement our controls but nevertheless still remains red in our view at this time.

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8	CP1 CP2 CP3 CP4 CP5 CP6	Significant decisions made at Council and Cabinet level are not sufficiently robust to withstand legal challenge.	<ul style="list-style-type: none"> ▪ Inadequate governance ▪ Inadequate checks and balances 	<ul style="list-style-type: none"> • Fines • Criminal prosecution • Civil litigation • Lack of confidence from staff or public • Court cases • Ombudsman reviews 	15	<ul style="list-style-type: none"> • Governance review cross-referencing with CIPFA Guide to good governance • Governance Action Plan formulated and in place 		12	<ul style="list-style-type: none"> • None at present 	10	Francis Fernandes	Risk remains current at this time
9	CP1 CP2 CP3 CP4 CP5 CP6	Lack of organisational resilience (People)	<ul style="list-style-type: none"> ▪ Organisation struggles to recruit ▪ No staff training and development in place ▪ Limited knowledge transfer across the organisation ▪ No succession management process in place ▪ High volume of employee relations (ER) issues ▪ Non-optimum working relationship with trade unions ▪ Lack of HR strategic profile in the organisation ▪ Budgetary constraints Multiple HR single points of failure 	<ul style="list-style-type: none"> ▪ Key roles remain vacant ▪ Managers may not know how to manage people in related workplace situations ▪ Increased tribunal and/or settlement costs ▪ Reputational downgrading as an employer ▪ Top Talent leaves ▪ On-going lack of capacity ▪ Lack of permanent leadership to drive strategy ▪ Depression of staff morale 	20	<ul style="list-style-type: none"> • Established People Support Team (HR & Health & Safety) • Proactive approach to emergent ER issues • People Strategy (including recruitment and retention) in place • Skills audit/training • Regular reporting to Leader & Management Board • Succession plan • Transformation Team in place driving cultural change • Corporate Health & Safety Group set up and in place • Upskilling of managers in terms of H&S responsibilities 		12	<ul style="list-style-type: none"> • Upskilling of managers in terms of people responsibilities (April 17 & On-going) • Rolling leadership development programme (June 17) • Employment of Health & Safety Manager (May 17) 	9	Francis Fernandes	Risk remains red as at April 17 as we are facing continuing employee relations issues and are also struggling to recruit to key roles. These factors continue to be hindrances to driving cultural change at the Council.

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							Q3	Q4				
10	CP1 CP2 CP3 CP4 CP5 CP6	Inability of IT to service future requirements/and or loss of IT due to failure or cyber-attack	<ul style="list-style-type: none"> ▪ Poor governance ▪ Lack of contract monitoring ▪ Lack of quality control 	<ul style="list-style-type: none"> • Services not being delivered to customers • Business interruption • Inefficient business processes and technology not adequately exploited. 	15	<ul style="list-style-type: none"> • Review of current LGSS SLA with IT to see what can be improved and remedial action taken • IT policies and procedures reviewed and refreshed • Review of IT equipment and infrastructure • PSN Compliance achieved • Lessons-learned review implemented following ransomware attacks in 2016/17 		10	<ul style="list-style-type: none"> • ICT Future Options Review (Sept 17) • ICT Governance Meetings (On-going) • ICT Client Meetings to assess relationships and risks (On-going) 	10	Marion Goodwood	The impact of this risk still remains significant & probability is currently 2 (though this has been managed down from 3 over recent months) due to the events of previous attacks during 16/17 and the known intelligence on the likelihood of future attacks. These factors maintain the risk at an amber level at this time
11	CP2 CP3 CP4	Safeguarding arrangements are not adequate to protect or address concerns of vulnerable adults and children.	<ul style="list-style-type: none"> ▪ Staff lack of awareness of procedure or referral route 	<ul style="list-style-type: none"> • Children or vulnerable adults harmed or put at risk of harm • Criminal prosecution or civil litigation • Seriously damaging reputation or NBC 	20	<ul style="list-style-type: none"> • Procedures and referral routes reviewed and refreshed where necessary • Refreshed procedures and referral routes communicated • Designated Officer for Safeguarding as point of contact in place • Series of presentations on CSE, including with Members and staff, to build awareness • Increased joint working with County Council (Rise Team). other boroughs and districts, including with community safety. licencing and social landlords • Scrutiny Review of CSE in the Borough 		9	<ul style="list-style-type: none"> • Hotel Watch exercise to be rolled out in conjunction with the Rise Team (Dec 17) • Scrutiny Review to go to Cabinet (July 17) • Full implementation of recommendations arising from the above Cabinet report (March 18) 	9		Each year there are more vulnerable adults and children than the previous year. Rising front-door pressures, a background of reduced council funding maintain this risk at an amber level at the present time and into the future.

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							Q3	Q4				
12	CP1 CP2 CP3 CP4 CP5 CP6	Legal obligations under the Data Protection Act 1998 (and also the superseding GDPR EU Regulations in 2018) are breached and there is inappropriate access and/or disclosure, corruption or loss of data	<ul style="list-style-type: none"> ▪ Not implementing the new EU data protection legislation ▪ Lack of staff knowledge of policy and procedure ▪ Ineffective implementation of GDPR Regulation requirements 	<ul style="list-style-type: none"> • Data breaches • Prosecution • Fines • Lack of confidence and public trust • Reputational issues • Member criticism 	10	<ul style="list-style-type: none"> • Data sweeps • Data governance • Staff awareness • Campaigns/refresher online training 		8	<ul style="list-style-type: none"> • To be scheduled in as a project with focus to review policies, procedures and practice (May 2018) 	4	Francis Fernandes	Whilst project implementation plan and identification of further resources are occurring this risk still remains at an amber level at this time
13	CP1 CP2 CP3 CP4 CP5 CP6	Major or large scale incident (accident, natural hazard, riot or act of terrorism) business interruption affecting the council resources and its ability to deliver services Risk to safety of staff and loss of staff	<ul style="list-style-type: none"> ▪ Accident, natural hazard, riot or act of terrorism or other business interruption 	<ul style="list-style-type: none"> • Council not able to deliver front-line services • Risk of safety to staff and loss of staff • Customer needs not being met 	8	<ul style="list-style-type: none"> • Updated business continuity strategy and business continuity plans • Refreshed Critical Incident Plan • Emergency Planning Work-streams facilitated by Emergency Planning lead including town centre evacuation procedures 		4	<ul style="list-style-type: none"> • None at present 	4	Francis Fernandes	Risk remains current at this time

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14	CP4 CP6	Inability to provide environmental services within cost and meeting customers' needs (Closed Risk)	<ul style="list-style-type: none"> Contract not adequately meeting needs and within cost 	<ul style="list-style-type: none"> Not meeting statutory requirements Existing contractor is disgruntled and ceases delivering No contractor procured Higher contract costs 	20	<ul style="list-style-type: none"> Project management and governance - project manager in post Robust procurement process with robust specification and quality control mechanisms 		4	No further action planned	4	Julie Seddon	It is now very unlikely this risk will occur as the cost to the supplier of ceasing the service and exiting the contract would be greater than the cost of staying on to the contract end-date which is June 2018. I feel a low green risk rating is and that the risk can now actually be closed due principally to the passage of time on the contract.

RISK ASSESSMENT MATRIX KEY

NBC Risk Matrix						
Impact	5 <i>Catastrophic</i>	5	10	15	20	25
	4 <i>Major</i>	4	8	12	16	20
	3 <i>Moderate</i>	3	6	9	12	15
	2 <i>Minor</i>	2	4	6	8	10
	1 <i>Insignificant</i>	1	2	3	4	5
		1 <i>Rare</i>	2 <i>Unlikely</i>	3 <i>Possible</i>	4 <i>Likely</i>	5 <i>Almost certain</i>
		Probability				

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NORTHAMPTON ALIVE	A Vibrant Successful Town For Now And In The Future
SAFER COMMUNITIES	Making You Feel Safe and Secure
HOUSING FOR EVERYONE	Helping Those That Need It To Have A Safe And Secure Home
PROTECTING OUR ENVIRONMENT	A Clean And Attractive Town For Residents & Visitors
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Impact	Criteria
Catastrophic Impact Exceptional benefit	Objectives could not be achieved, services could not be sustained, or major programmes/projects fail to deliver. Opportunity provides benefit substantially exceeding expectations.
Major impact Major Benefit	Serious impact on achievement of objectives & disruption to services and major programmes /projects. Council derives substantial benefit from opportunity
Moderate Impact Moderate Benefit	Moderate effect on achievement of objectives or delivery of services Moderate benefit arising from opportunity.
Minor Impact Minor Benefit	Relatively small effect on achievement of objectives or delivery of services Small benefit arising from opportunity.
Negligible impact Negligible Benefit	Trivial effect on achievement of objectives or delivery of services Virtually no benefit derived from opportunity.