

Corporate Risk Assessment Matrix



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February 2015(amended April 15)

Scoring Matrix

| Probability | Definition – (revised September 2009 to now relate to a Medium Term Financial Planning cycle) | Score |
|-------------|--|-------|
| Low | Very unlikely to happen in the next 3 years | 1 |
| Fairly low | Unlikely to happen in next 3 years | 2 |
| Medium | May happen in the next 3 years | 3 |
| Fairly high | Fairly likely to happen in next 3 years | 4 |
| High | Almost certain to happen within the next 3 years | 5 |
| | | |
| Impact | Definition - | Score |
| Minimal | Small financial loss (> £5k), inconvenience to services, potential reputation issue, or minor injury involving no lost time. | 1 |
| Minor | Financial loss > £25k, limited disruption to services, could affect reputation, minor injury requiring hospital treatment. | 2 |
| Moderate | Some financial (> £125k), long disruption to services or short failure to deliver services, reputational damage inflicted. Hospital admission of one person. External intervention possible. | 3 |
| Serious | Financial damage up to £250k, major disruption to, or failure to deliver high profile services, major reputational impact, major injury to more than one person. External intervention likely. | 4 |
| Severe | Financial damage in excess of £250,000, long term disruption and failure to deliver vital services to a large proportion of the community, very serious reputational impact against whole community, death to one or more person. External intervention certain. | 5 |

| Probability | Converted Probability |
|-------------|-----------------------|
| 0 | - |
| 1 | - |
| 2 | - |
| 3 | 0.0625 |
| 4 | 0.125 |
| 5 | 0.25 |

KIRKLEES COUNCIL

RISK MANAGEMENT

CORPORATE RISK ASSESSMENT MATRIX 2015 - INDEX

| No | Risk Description | Score | Net Val £000 |
|----|---------------------|-------|-----------------|
| | Corporate Risks | | 6100 |
| | Major Service Risks | | 965 |
| | Total | | 7065 |

Corporate Risks

| No | Risk Description | Score | Net Val £000 |
|-----|---|-------|-----------------|
| Z1 | Failure to deliver a balanced budget for 2015/16 | 25 | 2750 |
| Z2 | New Council projects fail to deliver envisaged savings, | 25 | 1500 |
| Z3 | Savings are not made in a timely way | 25 | 250 |
| Z4 | Failure to comply with data Protection and freedom of Information obligations | 20 | 40 |
| Z5 | Severe weather | 20 | 120 |
| Z6 | HR & workforce matters | 20 | 90 |
| Z7 | Safeguarding Issues | 20 | 60 |
| Z8 | Claims for additional(retrospective) holiday pay | 20 | 40 |
| Z9 | Loss of income (as a result of changing demand for services) | 16 | 370 |
| Z10 | Failure by suppliers to the Council | 16 | 150 |
| Z11 | Insufficient staff to meet operational commitments | 16 | 40 |
| Z12 | Noxious materials | 16 | 30 |
| Z13 | Uninsured losses or costs | 16 | 60 |
| Z14 | Difficulties with income collection (beyond normal expectation) | 16 | 30 |
| Z15 | Consequences of reductions in repairs and maintenance of building/structures | 16 | 190 |
| Z16 | Failure to achieve carbon reduction expectations | 16 | 60 |
| Z17 | Increasing volumes or rising prices beyond those provided for | 16 | 120 |
| Z18 | Health & safety issues | 16 | 30 |
| Z19 | Regime changes lead to loss of EU and other grant funds | 16 | 0 |
| Z20 | Failure of banker or financial institution | 15 | 60 |
| Z21 | Risk associated with the management of charitable trusts | 15 | 10 |
| Z22 | Partner organisations encounter financial difficulties | 15 | 30 |
| Z23 | Continued financial consequences of failure of Municipal Mutual Insurance (beyond existing provision) | 15 | 10 |
| Z24 | Fraud ,theft or loss | 15 | 30 |
| Z25 | Adverse media publicity | 15 | 0 |
| Z26 | Business Continuity impacts | 15 | 30 |
| | | | 6100 |

Major Service Risks

| No | Directorate (s) | Risk Description | Score | Net Val £000 |
|-----|--------------------------|--|-------|-----------------|
| Z27 | Resources, Adults, Place | Welfare Reforms impact on the council , generally and as a housing provider | 25 | 130 |
| Z28 | Adults | Health & Social care act creates obligations that are insufficiently funded | 25 | 370 |
| Z29 | Place | Forward development strategy fails to meet council needs (linked to WYCA) | 25 | 30 |
| Z30 | Resources | Web based service interface does not achieve objectives | 25 | 75 |
| Z31 | Place | Claim for repayments of personal search fees (beyond provision) | 20 | 30 |
| Z32 | Children | Issues related to the management of schools and Children's Services | 20 | 60 |
| Z33 | Adults | Potential impact of reduced funding for adaptations enabling disabled person to live at home | 20 | 30 |
| Z34 | Place | Pioneer House (failure to let) | 20 | 10 |
| Z35 | Resources | Software licencing | 20 | 30 |
| Z36 | Place | Potential additional (& ongoing) costs during /pending agreement of Local Plan | 20 | 10 |
| Z37 | Place | Increase in the volume (tonnes) of waste | 20 | 30 |
| Z38 | CTC Resources | Budget changes lead to unexpected impacts on the voluntary sector | 20 | 0 |
| Z39 | Adults | Domestic abuse obligations | 16 | 60 |
| Z40 | Place | Developers fail to deliver planning obligations (s106/s278) | 16 | 30 |
| Z41 | Resources | Electoral and election related matters | 16 | 20 |
| Z42 | CTC | Community tension | 15 | 20 |
| Z43 | CTC, Place | Huddersfield Sports Centre | 15 | 30 |
| | | | | 965 |

CORPORATE RISKS

| Risk | | Z1 |
|--|---|----|
| Codes | X4, R1 | |
| Service | Corporate | |
| Description | The current work on New Council and further work to find Directorate savings has not delivered a balanced MTFP for 2015/16. | |
| Probability | 5 | |
| Impact | 5 | |
| Risk Factor | 25 | |
| Financial Impact | £11,000,000 | |
| Converted Probability | 0.25 | |
| Expected Value | £2,750,000 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> We have sufficient reserves and balances to balance the budget in 2015/16 and in 2015/16 we plan to use General Fund Balances to ensure that we reach an in-year balanced budget. | |
| Target Risk Factor | | |
| Responsibility | All Directors | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency. | |

| | |
|---|--|
| Risk | Z2 |
| Codes | R1A |
| Service | Corporate |
| Description | The current work on the New Council Themes and do not deliver a balanced MTFP for 2015/16, as savings are not yet fully identified and evaluated. |
| Probability | 5 |
| Impact | 5 |
| Risk Factor | 25 |
| Financial Impact | £6,000,000 |
| Converted Probability | 0.25 |
| Expected Value | £1,500,000 |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> In the longer term, New Council programme Board has responsibility for ensuring delivery of theme work. Further work required to reduce Directorate spend is required. |
| Target Risk Factor | |
| Responsibility | David Smith |
| Review Frequency | Quarterly |
| Priorities | Efficiency. |

| | |
|---|--|
| Risk | Z3 |
| Codes | R4 |
| Service | Corporate |
| Description | Lack of timely decision making impacts on budget savings in MTFP. |
| Probability | 5 |
| Impact | 5 |
| Risk Factor | 25 |
| Financial Impact | £1,000,000 |
| Converted Probability | 0.25 |
| Expected Value | £250,000 |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Timely clear budget decisions link programme of change. • Clear plan for changes. |
| Target Risk Factor | |
| Responsibility | David Smith, All Directors, Members |
| Review Frequency | Quarterly |
| Priorities | Efficiency |

| Risk | | Z4 |
|---|--|----|
| Codes | X12, R(8, 10, 14) | |
| Service | Corporate | |
| Description | Risk of failure to comply with both the council's obligations in relation to Data Protection, and also Freedom of Information legislation, and more generally to the management of information from loss or inappropriate destruction or retention of information. | |
| Probability | 4 | |
| Impact | 5 | |
| Risk Factor | 20 | |
| Financial Impact | £300,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £37,500 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Thorough understandable information security policies and practices that are clearly communicated to workforce. Effective management of data, retention and recording. • Raised awareness. and staff training • Compliance with IT security policy. • Compliance with retention schedules. • Compliance with information governance policy. • Business continuity procedures. • Comply with new legislation around staff access to sensitive data. | |
| Target Risk Factor | | |
| Responsibility | David Smith | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency | |

| Risk | | Z5 |
|--|--|----|
| Codes | X5, CTC2, CA38, PL(6, 108) | |
| Service | Corporate | |
| Description | Impact of severe weather conditions, increase the councils costs in terms of emergency response and operational matters (e.g. cost of snow clearance) above any budgets. | |
| Probability | 4 | |
| Impact | 5 | |
| Risk Factor | 20 | |
| Financial Impact | £1,000,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £125,000 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Effective business continuity and emergency planning (including mutual aid) investment in flood management, gritting deployment plans. • Winter maintenance budgets are supported by a bad weather contingency • The government intends to offer a revised Bellwin scheme which will potentially offer more support in the event of certain type of adverse weather events | |
| Target Risk Factor | | |
| Responsibility | All Directors | |
| Review Frequency | Quarterly | |
| Priorities | Economy | |

| | |
|---|--|
| Risk | Z6 |
| Codes | X6, R15, CTC8, PL53 |
| Service | Corporate |
| Description | Workforce management issues including industrial tribunals and settlements, industrial action, loss of experienced staff to other employers, lack of sufficiency in staff training and skills development causing additional net costs. |
| Probability | 5 |
| Impact | 4 |
| Risk Factor | 20 |
| Financial Impact | £350,000 |
| Converted Probability | 0.25 |
| Expected Value | £87,500 |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> Monitoring of position, understanding what motivates workforce, clarity of offer to trade unions and employees, ensuring that processes, disciplinary tasks etc. are robust. Recognition that actions in the past still drive some costs elements like equal pay. |
| Target Risk Factor | |
| Responsibility | Ruth Redfern |
| Review Frequency | Quarterly |
| Priorities | Efficiency |

Risk**27****Codes**

CTC(3, 9), CA8

Service

Corporate

Description

The Safeguarding risks associated with the care of children and vulnerable adults generally. Includes direct care provision, care at public access activity, and in community care of the vulnerable (eg through antisocial behaviour). Impacts on the client directly, and also those consequent to Serious Case Reviews investigation and implementation of specific recommendations. Risks include costs of reviews, media and reputational damage from the event, even if the subsequent findings suggest that practices were satisfactory.

Probability

5

Impact

4

Risk Factor

20

Financial Impact

£250,000

Converted Probability

0.25

Expected Value

£62,500

**Managed Response
(Current Controls/Further
Action/Contingency)**

- CRB checking, staff training, supervision, protection policies kept up to date and communicated.
- Effective management of social work (and related services); rapid response to any issues identified and from any serious case review work.
- Active management of cases reaching serious case review stage, and any media interest

Target Risk Factor**Responsibility**

Alison O'Sullivan, Richard Parry

Review Frequency

Quarterly

Priorities

Effectiveness, Efficiency

| | |
|---|---|
| Risk | Z8 |
| Codes | |
| Service | Corporate |
| Description | Risk of claims associated with Court Judgements regarding rights of workers to holiday pay (etc.) consequent to certain types of overtime. |
| Probability | 5 |
| Impact | 3 |
| Risk Factor | 15 |
| Financial Impact | £150,000 |
| Converted Probability | 0.25 |
| Expected Value | £37,500 |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Some protective claims already received (though backdating ability is limited). • Changes to operating practice should negate this cost ongoing. |
| Target Risk Factor | |
| Responsibility | Ruth Redfern, Judith Hooper |
| Review Frequency | Quarterly |
| Priorities | Economy |

| Risk | | Z9 |
|---|---|----|
| Codes | X2, R7, CA21, PL(11, 12) | |
| Service | Corporate | |
| Description | Loss of income (due to increased competition, customer choice, customer resistance, decline in demand) (External; car parking, school meals, concerts, planning, building control commercial tenancies; Internal; building maintenance) Loss of council internal trading income, with a consequent impact on the activity which depends directly, or indirectly on that income. | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £3,000,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £375,000 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> Assess alternative income streams. Curtail activity to match demand. Realistic assessment of marginal cost of production on a short, medium and longer term basis, to assess real comparison with alternatives. | |
| Target Risk Factor | | |
| Responsibility | All Directors | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency | |

| | |
|---|--|
| Risk | Z10 |
| Codes | X3, R15, CA(24, 33, 40), PL112, PH12 |
| Service | Corporate |
| Description | Council supplier and market failure leads to loss of service, poor quality service or inability to attract new suppliers - to create competition in existing supply chains, or to create new supply routes as an alternative to existing arrangements. |
| Probability | 4 |
| Impact | 4 |
| Risk Factor | 16 |
| Financial Impact | £1,250,000 |
| Converted Probability | 0.125 |
| Expected Value | £156,250 |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Avoid, where possible, over dependence on single suppliers; more thorough financial assessment when a potential supplier failure could have a wide impact on the councils operations but take a more open approach where risks are few or have only limited impact. • Recognise that supplier failure is always a potential risk; those firms that derive a large proportions of their business from the public sector are a particular risk. • Need to balance between only using suppliers who are financially sound but may be expensive and enabling lower cost or new entrants to the supplier market. • Be realistic about expectation about what the market can deliver, taking into account matter such as national minimum wage, recruitment and retention issues etc. |
| Target Risk Factor | |
| Responsibility | David Smith, All Directors |
| Review Frequency | Quarterly |
| Priorities | Efficiency |

| Risk | | Z11 |
|--|--|-----|
| Codes | X6A, CA14, R15, PL(5, 137, 138), R9 | |
| Service | Corporate | |
| Description | There is insufficient staff to deliver the organisations operational commitments, and there is over dependence on small numbers of skilled individuals, who may be difficult to replace. Investment in new technology, intended to assist in operating with the reduced number of employees does not generate the anticipated savings in time or effort. | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £300,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £37,500 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Ensure that workloads are balanced to resources. • Staff and skill development to minimise dependence on key individuals. • Use of agency staff and or contractors when necessary | |
| Target Risk Factor | | |
| Responsibility | All Directors | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency, Economy | |

| Risk | | Z12 |
|---|--|-----|
| Codes | X7 | |
| Service | Corporate | |
| Description | Noxious materials create risks to reputation and financially in relation to both cost of clean-up and ultimately from diseases consequent to exposure. | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £250,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £31,250 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Monitor • Remediate when appropriate. | |
| Target Risk Factor | | |
| Responsibility | Jacqui Gedman | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency | |

| Risk | | Z13 |
|--|---|-----|
| Codes | X8 | |
| Service | Corporate | |
| Description | Uninsured losses or costs. | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £500,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £62,500 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> Costs of insurance for flooding exceeded any reasonable estimates of likely impact; insurance not available in market for most asbestos related risk (it is held for staff employed to remove/assess asbestos). | |
| Target Risk Factor | | |
| Responsibility | Jacqui Gedman, David Smith | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency | |

| Risk | | Z14 |
|--|---|-----|
| Codes | X9, PL95 | |
| Service | Corporate | |
| Description | Difficulties with income collection beyond those anticipated. Difficulties in collecting Housing Rents income consequent to welfare reform changes (not a direct council financial risk). | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £250,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £31,250 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> Active pursuit of debt. (Although these can only seek to mitigate rather than address the ability of individuals and businesses to meet their financial commitments). Continuous reassessment of tax base levels to take account of new valuations, revisions and deletions. | |
| Target Risk Factor | | |
| Responsibility | David Smith | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency | |

| Risk | | Z15 |
|---|--|-----|
| Codes | X10, PL(26, 31, 62, 69>, 104, 105, 109 -111, 113, 119, 121, 145) | |
| Service | Corporate | |
| Description | Reduction in expenditure on repairs and maintenance of buildings, roads and other structures causes lack of availability, increases the costs of emergency repairs and of insurance claims (public liability); reputational impact if systems such as CCTV failure. Adjustments/correction of the vehicle fleet age profile may increase the risk of breakdown/loss of productivity, at least in the short term. | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £1,500,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £187,500 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Prioritise repair budgets to aspects that are essential to keep premises open and can be operated with safety; do not compromise on inspection regimes needed to defend council. • Correct vehicle age profile as a part of fleet rationalisation (that should improve opportunities for effective fleet management and maintenance) | |
| Target Risk Factor | | |
| Responsibility | Jacqui Gedman, David Smith, All Directors | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency | |

| Risk | | Z16 |
|---|---|-----|
| Codes | X11, PL(54, 120) | |
| Service | Corporate | |
| Description | The approach to carbon emissions fails to deliver expected reductions in CO2 and energy investment fails to deliver the expected savings with risks in relation to budgets and Carbon Reduction Regulation compliance as a result of this. | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £500,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £62,500 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Embed carbon issues in decision making, but using robust business assessment of costs and benefits. • Council responsibility no longer includes schools potentially reducing impact and risk | |
| Target Risk Factor | | |
| Responsibility | David Smith | |
| Review Frequency | Quarterly | |
| Priorities | Carbon | |

| Risk | | Z17 |
|---|---|-----|
| Codes | X(18, 23), CA(13, 25), PL118 | |
| Service | Corporate | |
| Description | Overspending on particular budget heads due to unanticipated increase in volumes, rising prices, or a failure to properly control projects. Additional expenditure obligations not fully anticipated (such as costs of young people leaving care, kinship and fostering charges). | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £1,000,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £125,000 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> Control expenditure where possible. Amend policy if possible to mitigate growth. | |
| Target Risk Factor | | |
| Responsibility | David Smith, All Directors | |
| Review Frequency | Quarterly | |
| Priorities | Economy, Efficiency | |

| Risk | | Z18 |
|---|--|-----|
| Codes | X13, CTC14, PL(17, 139, 146), R13 | |
| Service | Corporate | |
| Description | Health and safety risks to employees (from attack/assault, as well as general workplace risks). H &S risks to service users and users of public access facilities, due to reduced maintenance etc, causing risks of prosecution from HSE, and exposure to claims on employers and public liability insurance | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £250,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £31,250 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Risk assessment, optimise reactive repairs to minimise need for compensatory payment, consideration of ceasing to operate activity that are seen as "too risky". • Staff training, particularly in relation to awareness of client safety issues. | |
| Target Risk Factor | | |
| Responsibility | Adrian Lythgo, All Directors | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency | |

| Risk | | Z19 |
|--|--|-----|
| Codes | PL(9, 14) | |
| Service | Corporate | |
| Description | Changes in EU and other grant funds limit the funds which the Council can access. Lack of capacity to bid for funds may worsen this position. | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £0 (Opportunity cost of a lack of access to project funding.) | |
| Converted Probability | 0.125 | |
| Expected Value | £0 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Retain capacity where possible; share with WY and other authorities. • Risk assess likelihood of success in bids. | |
| Target Risk Factor | | |
| Responsibility | All Directors | |
| Review Frequency | Quarterly | |
| Priorities | Economy, Efficiency, Effectiveness | |

| Risk | | Z20 |
|--|---|-----|
| Codes | X18, R12 | |
| Service | Corporate | |
| Description | Failure of councils main banker, or failure of other financial institution to which council has lent money. | |
| Probability | 3 | |
| Impact | 5 | |
| Risk Factor | 15 | |
| Financial Impact | £1,000,000 | |
| Converted Probability | 0.0625 | |
| Expected Value | £62,500 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Agreed treasury management strategy and policy is place. • Cautious approach to lending, with limits on types of organisations, and values that will be lent. • External advice taken | |
| Target Risk Factor | | |
| Responsibility | David Smith | |
| Review Frequency | Quarterly, Continuous | |
| Priorities | Efficiency | |

| Risk | | Z21 |
|---|---|-----|
| Codes | X20 | |
| Service | Corporate | |
| Description | Risk of court judgements that the Council has failed in its duty to properly manage charitable trusts. | |
| Probability | 3 | |
| Impact | 5 | |
| Risk Factor | 15 | |
| Financial Impact | £200,000 | |
| Converted Probability | 0.0625 | |
| Expected Value | £12,500 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • A number of charities merged and transferred to external management; Other charities having their management arrangements revised. • Wherever possible cease to act as trustees. • Ensure that members who are trustees receive appropriate legal and financial advice. | |
| Target Risk Factor | | |
| Responsibility | David Smith | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency | |

| Risk | | Z22 |
|---|---|-----|
| Codes | X16, CTC1, PL15 | |
| Service | Corporate | |
| Description | Partner organisations struggle to repay loans granted to them within the terms envisaged, or suffer losses that the council needs to fund to ensure continuing operations. | |
| Probability | 3 | |
| Impact | 5 | |
| Risk Factor | 15 | |
| Financial Impact | £500,000 | |
| Converted Probability | 0.0625 | |
| Expected Value | £31,250 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Monitor. • Take steps to improve council's position, where possible, on renegotiation of any arrangements, or extensions of any leases, franchises or agreements. • Ascertain extent to which council might be able to avoid funding losses, by withdrawal or requirements that partner restructure too avoid or minimise debt. | |
| Target Risk Factor | | |
| Responsibility | Jacqui Gedman, David Smith | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency | |

Risk**Z23****Codes**

R14

Service

Corporate

Description

Risk that the closure of Municipal Mutual Insurance which ceased to take on business in September 1992 involves substantial payments/repayments to close the business following House of Lords judgement, in excess of the amount already provided for in the accounts. Payment made in 2013, and future liabilities require 15% contribution, but no further costs anticipated in 2015/16.

Probability

3

Impact

5

Risk Factor

15

Financial Impact

£100,000

Converted Probability

0.0625

Expected Value

£6,250

**Managed Response
(Current Controls/Further
Action/Contingency)**

- Monitor.
- Significant cost potential in 2016/17 and beyond, as liabilities continue to accumulate, including from historical child abuse cases

Target Risk Factor**Responsibility**

David Smith

Review Frequency

Quarterly

Priorities

Efficiency

| Risk | | Z24 |
|--|---|-----|
| Codes | X20 | |
| Service | Corporate | |
| Description | Theft, fraud and other losses, including consequential losses to customer. | |
| Probability | 5 | |
| Impact | 3 | |
| Risk Factor | 15 | |
| Financial Impact | £100,000 | |
| Converted Probability | 0.25 | |
| Expected Value | £25,000 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Sufficient internal controls and internal check. • Reconciliation of records. • Routine internal audit of business systems and active investigation of misdemeanour. • Appropriate training of staff and volunteers) Exclusion of liability wherever possible. | |
| Target Risk Factor | | |
| Responsibility | David Smith, All Directors | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency, Economy | |

| | |
|---|--|
| Risk | Z25 |
| Codes | X21 |
| Service | Corporate |
| Description | Adverse media publicity. |
| Probability | 3 |
| Impact | 5 |
| Risk Factor | 15 |
| Financial Impact | £0 |
| Converted Probability | 0.0625 |
| Expected Value | £0 |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Ensure effective communication of issues and rationale that justifies actions taken. • Deal with issues in an open and effective way. |
| Target Risk Factor | |
| Responsibility | All Directors |
| Review Frequency | Quarterly |
| Priorities | Efficiency |

| | |
|---|---|
| Risk | Z26 |
| Codes | R15 |
| Service | Corporate |
| Description | Loss, damage or failure to vital part of business infrastructure, such as a key building, IT system, fire at key location impacting on the ability to deliver services. |
| Probability | 3 |
| Impact | 5 |
| Risk Factor | 15 |
| Financial Impact | £200,000 |
| Converted Probability | 0.0625 |
| Expected Value | £12,500 |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> Business Continuity Plans in place- including ability to cross link IT to another LA. |
| Target Risk Factor | |
| Responsibility | All Directors |
| Review Frequency | Annually |
| Priorities | Efficiency, Economy |

MAJOR SERVICE RISKS

| Risk | | 227 |
|--|---|-----|
| Codes | X102, PL(90, 122, 136) | |
| Service | Adults, Place | |
| Description | Welfare Reforms impacts adversely on clients and the councils service provision .This may impact particularly on vulnerable people with a further impact on costs and demands for existing and alternative services. Includes the costs of council tax benefit, income collection difficulties for rents with further potential risks in relation to homelessness if individuals fail to balance their incomes to rents, and prioritise tenancy payments. | |
| Probability | 5 | |
| Impact | 5 | |
| Risk Factor | 25 | |
| Financial Impact | £550,000 | |
| Converted Probability | 0.25 | |
| Expected Value | £137,500 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Monitor government intentions; early steer on policy and impacts to be obtained. • Develop strategies to control /minimise losses. | |
| Target Risk Factor | | |
| Responsibility | Alison O'Sullivan, David Smith, Jacqui Gedman | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency, Economy, Young, Aged | |

| | |
|---|---|
| Risk | Z28 |
| Codes | CA(27 – 29) |
| Service | Adults |
| Description | Health & Social Care Act create obligations that are insufficiently funded by general or specific grant funding, including changes in eligibility, carers responsibility duties, income protection rules. |
| Probability | 5 |
| Impact | 5 |
| Risk Factor | 25 |
| Financial Impact | £1,500,000 |
| Converted Probability | 0.25 |
| Expected Value | £375,000 |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Monitor progress of legislation and funding streams. • Report on options |
| Target Risk Factor | |
| Responsibility | Richard Parry |
| Review Frequency | Quarterly |
| Priorities | Young, Aged |

Codes

PL3

Service

Place

Description

Failure to shape forward development strategy at both district wide and local level to realise maximum community benefits from future “ employment / housing / transport development” due to reduced resources .This would lead to increasing congestion, inappropriate development solutions, reputational damage, heightened public opposition and loss of financial investment in the district .

Probability

5

Impact

5

Risk Factor

25

Financial Impact

£100,000

Converted Probability

0.25

Expected Value

£25,000

Managed Response
(Current Controls/Further
Action/Contingency)

- Commenced proactively influencing place shaping and development strategy although resources are very stretched.
- Feasibility studies completed on the district’s main strategic corridors and some key schemes included in the West Yorkshire Transport fund. Although further design / development work now needs to continue.
- Currently developing local frameworks at a locality level to ensure full community commitment/support. Core Strategy Infrastructure Plan identifies the main issues of connectivity with future development.

Target Risk Factor

Responsibility

Jacqui Gedman

Review Frequency

Quarterly

Priorities

Efficiency

Codes

R3

Service

Resources

Description

New web self-service Information hub's, are not ready in time for organisation changes and this delays savings required under MTFP. Customers do not move to New Web Information and self-service Hub's impacts on costs/savings for Economic Resilience, Early Intervention & Prevention and Health and Wellbeing & Communities.

Probability

5

Impact

5

Risk Factor

25

Financial Impact

£300,000

Converted Probability

0.25

Expected Value

£75,000

**Managed Response
(Current Controls/Further
Action/Contingency)**

- Financial and reputational risk.
- High Level officer support required to bring about a swift culture change.
- Feasibility study – to look at existing process and new service model.
- HCSC and DCSC set up with self-service PC's
- WebChat implemented.
- Publicity and promotion
- Staff training
- Withdraw face to face provision.
- Vulnerability assessment.
- Additional funding provided to CAB and KBAS to assist vulnerable clients.

Target Risk Factor

Responsibility

David Smith

Review Frequency

Quarterly

Priorities

Economy, Efficiency, Effectiveness

| Risk | | Z31 |
|---|--|-----|
| Codes | X101, R6, PL4 | |
| Service | Place | |
| Description | Provision of £0.8m for claims from personal search firms that charges for personal searches under Local Land Charges Act 1995 are unlawful proves to be insufficient. [NOTE: maybe settled by 15/16] | |
| Probability | 4 | |
| Impact | 5 | |
| Risk Factor | 20 | |
| Financial Impact | £250,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £31,250 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • LGA co-ordinating legal defence on behalf of all affected Councils and sharing legal costs. • Contingency in Council budget (£0.8m). • Mediation being explored with view to settlement. • The Council has authorised settlement negotiations in line with approved strategy. | |
| Target Risk Factor | | |
| Responsibility | Jacqui Gedman, David Smith | |
| Review Frequency | Quarterly | |
| Priorities | Economy, Efficiency | |

Risk**Z32****Codes**

X103, CA(5, 7)

Service

Children & Resources

Description

Issues related to the councils management of schools and children's services, including the school improvement framework, the provision of sufficient places and potential issues caused by external inspection and scrutiny, such as Ofsted review of Children's Services.

Probability

5

Impact

4

Risk Factor

20

Financial Impact

£250,000

Converted Probability

0.25

Expected Value

£62,500

**Managed Response
(Current Controls/Further
Action/Contingency)**

- Develop strategy to address capacity issues.
- Improving data and analysis enables more effective identification of groups and schools.
- Agreed strategy for school improvement in production.
- Core activity in support of council priority-partnership work.
- School Improvement framework being developed and trailed.

Target Risk Factor**Responsibility**

Jacqui Gedman, Alison O'Sullivan

Review Frequency

Quarterly

Priorities

Efficiency

| Risk | | Z33 |
|---|---|-----|
| Codes | X104, PL(100, 101, 103) | |
| Service | Place | |
| Description | Risks to service users and to councils reputation as a result of reduced funding for adaptations to public and private housing, including initial conversions and maintenance of equipment (e.g. lifts) | |
| Probability | 4 | |
| Impact | 5 | |
| Risk Factor | 20 | |
| Financial Impact | £200,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £25,000 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> Prioritise, means and needs testing ,make clear to clients risks if they choose not to maintain equipment | |
| Target Risk Factor | | |
| Responsibility | Jacqui Gedman | |
| Review Frequency | Quarterly | |
| Priorities | Economy | |

| Risk | | Z34 |
|--|---|-----|
| Codes | X107, PL10 | |
| Service | Place | |
| Description | Pioneer House – Securing end occupiers following the carrying out of repairs. The economic situation is likely to cause potential occupiers to be reluctant to commit to the building and Dewsbury. The council would then be required to maintain the vacant areas, and there could be linked reputational issues. | |
| Probability | 4 | |
| Impact | 5 | |
| Risk Factor | 20 | |
| Financial Impact | £50,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £6,250 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Ongoing discussions with end occupiers showing particular interest. • Working with advisers to ensure any expressions of interest from occupiers are pursued. | |
| Target Risk Factor | | |
| Responsibility | Jacqui Gedman | |
| Review Frequency | Quarterly | |
| Priorities | Economy | |

| Risk | | Z35 |
|--|---|-----|
| Codes | X114 | |
| Service | Resources | |
| Description | Failure to comply with relevant legislation covering for example: Software licence protection, Copyright, Designs and Patents, Data Protection, Fraud. | |
| Probability | 4 | |
| Impact | 5 | |
| Risk Factor | 20 | |
| Financial Impact | £250,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £31,250 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Asset management tools • Proactively monitoring license usage • Working with key suppliers to understand level of risk • Comply with new legislation around staff access to sensitive data. • Following Govt. connect procedures. | |
| Target Risk Factor | | |
| Responsibility | David Smith | |
| Review Frequency | Twice per Annum | |
| Priorities | Economy | |

| Risk | | Z36 |
|---|---|-----|
| Codes | PL2 | |
| Service | Place | |
| Description | Local Plan - Failure to deliver a revised project which is timely, achieves statutory requirements, meets members and public expectations, resulting in objections, poor publicity etc. | |
| Probability | 4 | |
| Impact | 5 | |
| Risk Factor | 20 | |
| Financial Impact | £100,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £12,500 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Commitment to timescales in the production of documents. • Establish “early warning” system to register problematic issue and establish member instructions. Delay through late abolition of Regional Spatial Strategy. • Balance resourcing of Local Plan project with other priorities (eg Development Control). • Evaluate risk of problems with approach at commencement of examination stage. | |
| Target Risk Factor | | |
| Responsibility | Jacqui Gedman | |
| Review Frequency | Quarterly | |
| Priorities | Economy | |

| Risk | | Z37 |
|--|--|-----|
| Codes | PL(148, 149) | |
| Service | Place | |
| Description | Continued growth in waste volumes above those provided for in the budget; Changes in legislation regarding the management of municipal waste and related activity. | |
| Probability | 4 | |
| Impact | 5 | |
| Risk Factor | 20 | |
| Financial Impact | £200,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £25,000 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Monitor volume. • Consider changes to waste strategy. | |
| Target Risk Factor | | |
| Responsibility | Jacqui Gedman | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency | |

| Risk | | Z38 |
|--|--|-----|
| Codes | R5 | |
| Service | Resources, CTC | |
| Description | Impact of budget decision on Voluntary Sector (VS) underestimated; Creates lack of capacity within VS and limited timescales to respond to any budget cut. A lack of engagement by the voluntary and community sector for Advice, employment and housing. | |
| Probability | 5 | |
| Impact | 4 | |
| Risk Factor | 20 | |
| Financial Impact | £0 (Reputational and consequential failure to harness a potential resource.) | |
| Converted Probability | 0.25 | |
| Expected Value | £0 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Early clear budget decisions. • Voluntary and community strategy. • Identify impact of funding cuts and ensure clear messages on withdrawal of funds. • Engage VCS in relevant service plans. | |
| Target Risk Factor | | |
| Responsibility | David Smith, Ruth Redfern | |
| Review Frequency | Quarterly | |
| Priorities | Effectiveness | |

| | |
|---|--|
| Risk | Z39 |
| Codes | CA(22, 26, 30) |
| Service | Adults |
| Description | Various additional service obligations relating to Domestic Abuse. Commitments against existing Integration transformation funds may exceed the budget available. Expectation of ability to constrain volumes of activity on routine homecare may not be achievable. |
| Probability | 4 |
| Impact | 4 |
| Risk Factor | 16 |
| Financial Impact | £500,000 |
| Converted Probability | 0.125 |
| Expected Value | £62,500 |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> Monitoring and reporting if these areas become unmanageable within resources allocated. |
| Target Risk Factor | |
| Responsibility | Richard Parry |
| Review Frequency | Quarterly |
| Priorities | Effectiveness, Efficiency |

| Risk | | Z40 |
|---|--|-----|
| Codes | X109, PL(16, 29) | |
| Service | Regeneration | |
| Description | Developers fail to fulfil specific obligations under section 106 or 278 agreements or seek to renegotiate them; leaving council with unexpected costs or inability to benefit from anticipated community benefits. More generally developments do not fulfil expectations in terms of economic or community benefit. | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £200,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £25,000 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> Through effective use of agreements, bonds and other legal instruments council will normally be able to recover position even where developer fails. However, there may be significant time delays in this occurring. | |
| Target Risk Factor | | |
| Responsibility | Jacqui Gedman, David Smith | |
| Review Frequency | Quarterly | |
| Priorities | Economy, Efficiency | |

| Risk | | Z41 |
|--|---|-----|
| Codes | X111, R11 | |
| Service | Resources, OCE | |
| Description | Risk associated with the operation of the electoral process, including creation of the electoral register, preparation for the election (e.g. printing), and effective operation of polling stations. | |
| Probability | 4 | |
| Impact | 4 | |
| Risk Factor | 16 | |
| Financial Impact | £150,000 | |
| Converted Probability | 0.125 | |
| Expected Value | £18,750 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Staff Training • Legal Support • Adequate Insurance (for Returning Officer) • Count takes place on Friday wherever possible (This risk is greater and reflected in the scoring if counting takes place overnight.) | |
| Target Risk Factor | | |
| Responsibility | Adrian Lythgo | |
| Review Frequency | Quarterly | |
| Priorities | Efficiency | |

| Risk | | Z42 |
|--|---|-----|
| Codes | CTC4 | |
| Service | CTC | |
| Description | Failure to address matters of violent extremism and related safer stronger community factors that could create significant community tension. | |
| Probability | 3 | |
| Impact | 5 | |
| Risk Factor | 15 | |
| Financial Impact | £250,000 | |
| Converted Probability | 0.0625 | |
| Expected Value | £15,625 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> • Prevent partnership action plan. Local intelligence sharing and networks. • Counter terrorism local profile. | |
| Target Risk Factor | | |
| Responsibility | Ruth Redfern | |
| Review Frequency | Annual | |
| Priorities | Effectiveness | |

| Risk | | Z43 |
|--|---|-----|
| Codes | X108 | |
| Service | Place, Communities & Resources | |
| Description | Construction of new Huddersfield Sports Centre is subject to increase in costs and or completion delays, such as to damage the council reputationally or financially. | |
| Probability | 3 | |
| Impact | 5 | |
| Risk Factor | 15 | |
| Financial Impact | £500,000 | |
| Converted Probability | 0.0625 | |
| Expected Value | £31,250 | |
| Managed Response (Current Controls/Further Action/Contingency) | <ul style="list-style-type: none"> Continue to monitor activities on contractor and architects, ensure that relationships develop as a positive partnership rather than an antagonising one. | |
| Target Risk Factor | | |
| Responsibility | Jacqui Gedman, David Smith | |
| Review Frequency | Quarterly | |
| Priorities | Economy, Efficiency, Effectiveness | |

Log of Changes Made by Director Request

| Risk Ref | Change | Comment Made By | Date Changed |
|----------|---|-----------------|--------------|
| Z28, Z39 | Alison O'Sullivan removed as risk owner of both risks. | Richard Parry | 16/03/2015 |
| Z30 | Financial risk reduced as additional budget assistance granted to CAB and KBAS to assist vulnerable clients, value reduced from £1m to £300k. | David Smith | 02/04/2015 |
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