

Report to Audit Committee
12 March 2019
Report of Chief Internal Auditor, LGSS
Subject Risk Management Report

Item

5

Purpose

To provide an update on progress in relation to risk management.

The attached report and appendices were presented to Cabinet on 6 February 2019 where the Committee resolved to note the risk management report.

Recommendation

To note the risk management report.

Corporate and service priorities

The report helps to meet the corporate priority “Value for money services”.

Financial implications

None

Ward/s: All wards

Cabinet member: Councillor Kendrick - Resources

Contact officers

Anton Bull, Director of Business Services 01603 212326

Duncan Wilkinson, Chief Internal Auditor, LGSS 01908 252089

Neil Hunter, Deputy Head of Internal Audit, LGSS 01223 715317

Background documents

None

Risk Management Report

Norwich City Council

Update to 23rd January 2019

1 Risk Management Update

1. Norwich Council is currently in the process of refreshing Risk Management across the Council.
2. The purpose of this report is to provide an update on the current Risk Register, along with any outstanding actions, and to outline the progress made so far on the refresh of the Risk Management process and a revised Corporate Risk Register.
3. Under the current Risk Management Process, the Corporate Risk Register has a total of 16 Corporate Risks across the Council. All of these risks have controls and, where appropriate, action plans in place in order to mitigate the both the likelihood and the consequences of these Risks, a detailed overview of this Risk Register is attached at **Appendix A**.
4. Within this Risk Register, there are two outstanding actions across two different Risks:

Risk	Action	Date
A2. Delivery of the corporate plan and key supporting policies and strategies within the council's strategic framework	Determine a new blue print or operating model to guide how the council works in future which reflects available resources	31/12/17

Risk	Action	Date
A4. Safeguarding children, vulnerable adults and equalities duties	Guidance will be provided for contract managers to ensure satisfactory performance for safeguarding and equality duties of key contractors, following the annual review of contract compliance. Audit of safeguarding performance of contractors not available to complete this action for 2017. The annual audit is being undertaken autumn-winter 2017 to inform a review of guidance required for contract managers	30/04/18

5. To facilitate a full refresh of the Risk Management process and corporate risk register, the Internal Audit Risk Management Team facilitated a Risk Workshop on 14th November 2018 with the Corporate Leadership Team. From the workshop, a new set of 7 Corporate Risks has been recommended, and owners have been allocated to each of these Risks. The list of the proposed Corporate Risks and the respective owners is detailed at **Appendix B**.

6. Following the Workshop, the Internal Audit Risk Management Team has created a draft summary document which detailed proposed triggers, consequences, controls and actions for the Corporate Risk Owners to adapt/develop as appropriate.
7. The next stages of the Risk Management refresh is for the Internal Audit Risk Management Team to schedule meetings with all of the Corporate Risk Owners in order to agree the full details of each risk and to get the Risk Management system, GRACE, fully populated and operational.
8. Once the Risk Management team has met with the Corporate Owners to agree the Corporate Risks, then meetings will be arranged with owners of the Directorate level risks to update the Directorate level risks to ensure that they align with the new Corporate Risks and to cascade down the refresh of the risk Registers throughout the Organisation.
9. For further detail on the Risk Management process, and the roles and responsibilities of key officers, the Norwich City Council Risk Management Customer Charter is attached at **Appendix C**.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Report author to complete

Committee:	Cabinet
Committee date:	06/02/2019
Director / Head of service	Neil Hunter, LGSS
Report subject:	Risk Management
Date assessed:	23/01/2019

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	X			
Other departments and services e.g. office facilities, customer contact	X			
ICT services	X			
Economic development	X			
Financial inclusion	X			
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	X			
<u>S17 crime and disorder act 1998</u>	X			
Human Rights Act 1998	X			
Health and well being	X			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	X			

	Impact			
Eliminating discrimination & harassment	X			
Advancing equality of opportunity	X			
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	X			
Natural and built environment	X			
Waste minimisation & resource use	X			
Pollution	X			
Sustainable procurement	X			
Energy and climate change	X			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management		X		

Recommendations from impact assessment

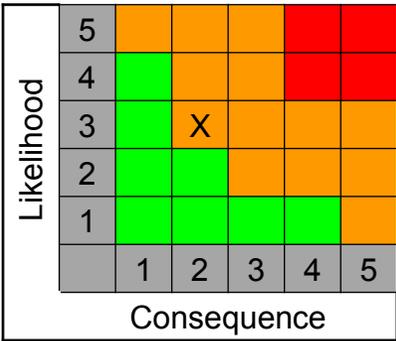
Positive

Negative

Neutral

Issues

Risk	A1. Customer Demand
-------------	----------------------------



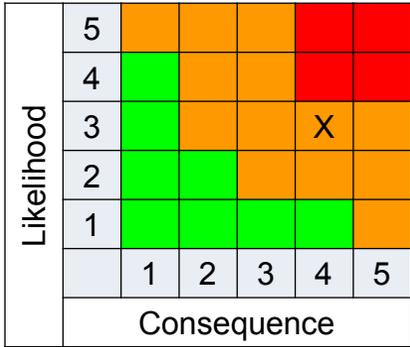
Risk Owners	Current Score	6	Last Review	02/08/2018
	Target Score		Next Review	30/11/2018
	Previous Score	6		
Triggers		Likelihood Factors (Vulnerability)	Potential Consequences	
<p>1. Customer demand exceeds our capacity to deliver services as they are currently configured</p> <p>2. Transfer of demand arising from service delivery changes or budget cuts by other public agencies</p> <p>3. Excessive customer demand in key areas, particularly in relation to the need to cut services, or changes to policies e.g. council tax reduction scheme; universal credit</p>			<p>1. Unable to cope with demand</p> <p>2. Complaints</p> <p>3. Reputation damage</p> <p>4. Increased homelessness risk to housing</p>	

Controls	Adequacy	Critical Success
1. Proactive research on customer profile, forward planning, e.g. anticipating future events that will generate higher demand and use of data held to map and channel shift.	Good	
2. Data capture, consultation, survey and service planning.	Good	
3. Being robust about the role and responsibilities of Norwich City Council	Good	
4. Customer centre redesign	Good	
5. New 'self-serve' website including responsive forms, housing repairs diagnostics, customer portal, and full functionality on mobile devices	Good	

Action Plans	Responsibility	Target Date

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	<p>1. To make Norwich a safe, clean and low-carbon city,</p> <p>2. To make Norwich a prosperous and vibrant city,</p> <p>3. To make Norwich a fair city ,</p> <p>4. To make Norwich a healthy city with good housing,</p> <p>5. To provide value for money services</p>

Risk	A2. Delivery of the corporate plan and key supporting policies and strategies within the council's strategic framework
-------------	---



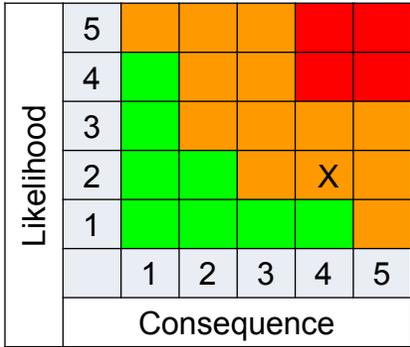
Risk Owners		Current Score	12	Last Review	02/08/2018
		Target Score		Next Review	30/11/2018
		Previous Score	12		
Triggers		Likelihood Factors (Vulnerability)		Potential Consequences	
<p>1. Corporate priorities are not on target to be delivered.</p> <p>The council has a clear set of corporate priorities within its corporate plan. Within the council's wider strategic framework, there are a number of key corporate strategies and policies which must be delivered across the organisation to realise the council's priorities e.g. environmental strategy, housing strategy etc</p> <p>Policy from the new government will be further changing the framework for local government and put new requirements on the council that must be met in a number of different areas. When this is combined with the very significant savings the council will need to make to meet the government funding reductions, there is a risk that these changes will reduce the capacity of the council to deliver on its key corporate priorities.</p>				<p>1. Key priorities for the city are not delivered</p> <p>2. Adverse public opinion</p> <p>3. Projects / work completed to a lower quality</p> <p>4. Negative impact on outcomes for citizens</p> <p>5. Negative performance ratings for the council</p> <p>6. Continual over-stretching of capacity</p>	

Controls	Adequacy	Critical Success
1. Regular review of corporate plan, medium term financial strategy and other key policies and strategies.	Good	
2. Effective performance and programme management	Good	
3. Corporate planning and service planning aligned with budget setting to ensure resources are in place to deliver priorities.	Good	
4. Effective preparation for changes in government policy.	Good	
5. Effective transformation programme to ensure savings are delivered.	Good	
6. The balance between the corporate plan and resources available is anticipated to shift over the coming years bringing significant challenges for the Council. As a result of the Council's Cabinet approved on 8th June 2016 the initiation of a process to: a) Work with partners in the public, private, voluntary and community sectors to develop a new city vision b) Develop a revised corporate plan, priorities and performance measures that reflects the council's part in supporting that vision c) Determine a new blue print or operating model to guide how the council works in future which reflects available resources	Good	

Action Plans	Responsibility	Target Date
Determine a new blue print or operating model to guide how the council works in future which reflects available resources.		31/12/2017

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	1. To make Norwich a safe, clean and low-carbon city, 2. To make Norwich a prosperous and vibrant city, 3. To make Norwich a fair city, 4. To make Norwich a healthy city with good housing, 5. To provide value for money services

Risk	A3. Relationship management with key service delivery partners and the management of contracts.
-------------	--



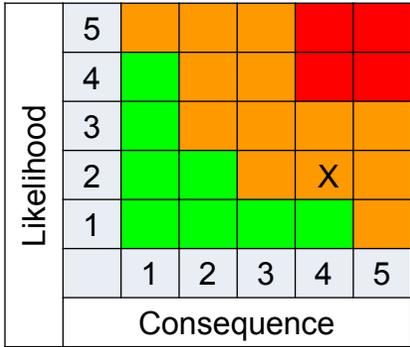
Risk Owners		Current Score	8	Last Review	02/08/2018
		Target Score		Next Review	30/11/2018
		Previous Score	8		
	Triggers	Likelihood Factors (Vulnerability)		Potential Consequences	
	<p>1. Partnerships not managed effectively and key service outcomes not achieved.</p> <p>2. Contracts not managed effectively, and key service outcomes not achieved..</p>	<p>The council has a number of key partnerships with LGSS, NPS Norwich, and NP Law. There is also a highways agency agreement with Norfolk County Council. This approach to service delivery requires a different managerial approach by the city council. The council also has a number of key contracts and partnerships which require strong, consistent procurement and client management.</p>		<p>1. The council doesn't get value for money</p> <p>2. Benefits of partner and contract arrangements not realised</p> <p>3. Constant negotiation around the service delivery agreement</p> <p>4. Specification not adhered to</p> <p>5. Services not provided at an acceptable level</p> <p>6. Customer and staff complaints</p>	

Controls	Adequacy	Critical Success
1. Governance structure is in place to manage the individual partnership agreements (eg NPS Norwich Board, LGSS liaison group, NP Law Board, all major contracts have strategic and operational governance arrangements with officer and member representation.	Good	
2. In response to the council operating model training requirements have been reviewed and staffing structures refreshed to reflect this change.	Good	
3. A contract and business relationship management toolkit has been deployed. This aims to create consistency of management of both financial and performance objectives and monitoring and management of all economic, social and environmental issues associated with the service..	Good	
4. Internal audit has reviewed arrangements to ensure that robust governance by client managers is in place for LGSS, nplaw, NPS Norwich, Norwich Norse (Environmental) and Norse Environmental Waste Service.	Good	
5. Regular reviews of joint ventures.	Good	

Action Plans	Responsibility	Target Date

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	5. To provide value for money services

Risk	A4. Safeguarding children, vulnerable adults and equalities duties
-------------	---



Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	1. To make Norwich a safe, clean and low-carbon city, 2. To make Norwich a prosperous and vibrant city, 3. To make Norwich a fair city, 4. To make Norwich a healthy city with good housing, 5. To provide value for money services

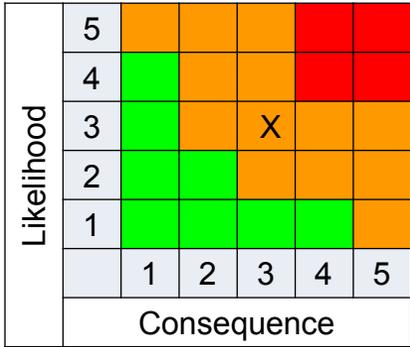
Risk Owners		Current Score	8	Last Review	02/08/2018
		Target Score		Next Review	30/11/2018
		Previous Score	8		
Triggers		Likelihood Factors (Vulnerability)		Potential Consequences	
<p>1. Safeguarding and equalities duties and responsibilities not embedded throughout the council and its contractors/ commissioned services/ partners.</p> <p>2. Continued change in council service delivery model with an increase in the number of partnership arrangements is likely to require new arrangements for the delivery of safeguarding and equalities duties.</p> <p>3. Impact of cuts on care services and benefit funding.</p> <p>4. Critical incident</p> <p>5. Change in contractor/ commissioned service/partner</p> <p>6. Reduced service provision</p> <p>7. Not being able to attract staff with diverse abilities and backgrounds</p> <p>8. Reviews of safeguarding at Norfolk County Council found a number of significant issues, which increases the risks for partner organisations</p>				<p>1. Vulnerable adults and children at greater risk of exclusion or harm</p> <p>2. Individuals from a community of identity dealt with inappropriately and at risk of exclusion</p> <p>3. Risk of judicial review on accessibility of services</p> <p>4. Risk of damage to reputation if an employee discrimination claim is made based on equalities legislation</p> <p>5. NCC's reliance on systems at Norfolk and impact on Norwich City Council if these are inadequate</p>	

Action Plans	Responsibility	Target Date
Guidance will be provided for contract managers to ensure satisfactory performance for safeguarding and equality duties of key contractors, following the annual review of contract compliance. Audit of safeguarding performance of contractors not available to complete this action for 2017. The annual audit is being undertaken autumn-winter 2017 to inform a review of guidance required for contract managers"		30/04/2018

Risk	A4. Safeguarding children, vulnerable adults and equalities duties
-------------	---

Controls	Adequacy	Critical Success
01. Safeguarding policy and procedures in place and reviewed annually through safeguarding group.	Good	
02. Safeguarding duties included in new contracts to ensure duties are embedded with new contractors. Where appropriate, joint training/ awareness sessions are held.	Good	
03. Equalities duties overseen by BMG	Good	
04. A contract and business relationship management toolkit has been deployed. This aims to create consistency of management of both financial and performance objectives and monitoring and management of all economic, social and environmental issues associated with the service and particularly in relation to safeguarding	Good	
05. Equality training undertaken for all staff and managers	Good	
06. Mental health training provided for employees	Good	
07. Safeguarding training provided to all staff.	Good	
08. Safeguarding guidance provided to all councillors	Good	
09. External reviews of the council's approach through the annual self-assessment against Sec.11 of Children Act 2014, then challenge sessions with chair of Norfolk Safeguarding Children Board (NSCB)	Good	
10. NCC plays full part in Norfolk Public Protection Forum	Good	
11. NCC chief executive chairs Community Safety Partnership linking to domestic abuse across the county	Good	
12. Constantly monitoring outcomes from serious case reviews (children adult and domestic abuse) and ensure any recommendations are actioned.	Good	

Risk	A6. Delivery of Joint Core Strategy (JCS)
-------------	--



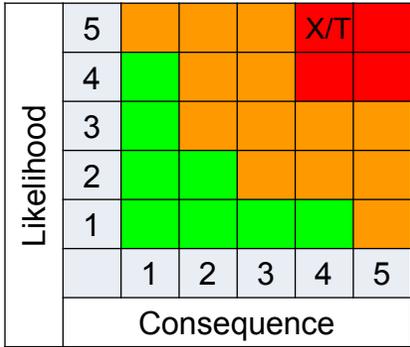
Risk Owners		Current Score	9	Last Review	02/08/2018
		Target Score		Next Review	30/11/2018
		Previous Score	9		
Triggers		Likelihood Factors (Vulnerability)		Potential Consequences	
<p>Delivery of the JCS may be jeopardised by:</p> <ol style="list-style-type: none"> 1. Markets failing to deliver on preferred development sites identified for housing 2. Changing approaches to calculating housing land supply to require all the backlog in housing supply that has arisen since 2008 to be met in the next five-year period rather than over the remainder of the plan period of the JCS (i.e. up to 2026). 3. Failure to deliver the infrastructure required to support development 4. The council increasingly relies on income from NNDR (business rates). This may be at risk if other councils allow commercial developments on the edge of the city but outside the boundary or the number of commercial premises in the City reduce. 5. Partners across the Greater Norwich area not working effectively together because of conflicting priorities 				<ol style="list-style-type: none"> 1. Reputation damage 2. Significant likelihood that the overall development strategy for the Greater Norwich area will not be delivered 	

Controls	Adequacy	Critical Success
4. Greater Norwich Growth Board responsible for ensuring funding is available for investment in infrastructure to support growth.	Good	
1. Ensuring that strategies being prepared with GNGB colleagues are as robust as possible and firmly grounded in reliable evidence.	Good	
2. Inter-authority working based on consensus decision-making ensures all parties are in agreement with the agreed policy framework.	Good	
3. All policy work is supported by comprehensive and up-to-date evidence in accordance with government guidelines.	Good	

Action Plans	Responsibility	Target Date

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	2. To make Norwich a prosperous and vibrant city,, 4. To make Norwich a healthy city with good housing,

Risk	A8. Housing Investment Strategy
-------------	--



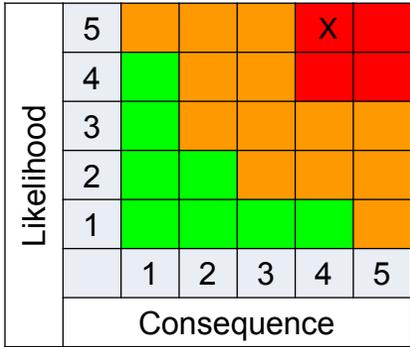
Risk Owners		Current Score	20	Last Review	02/08/2018
		Target Score	20	Next Review	30/11/2018
		Previous Score	15		
	Triggers	Likelihood Factors (Vulnerability)		Potential Consequences	
	<p>1. Reduction in rental income arising from:</p> <ul style="list-style-type: none"> • compulsory 1% reduction in social housing rent for next four years wef April 2016 • higher level of council house sales due to improved incentives • increasing debt or other factors <p>2. Impact of determination to fund RTB for Registered Providers</p> <p>3. Significant increase in the cost of delivering improvement works</p> <p>4. Failure to deliver by contractors</p> <p>5. Changes to housing finance within the Housing and Planning Bill</p>	<p>As part of the reform of the HRA the council has taken on a substantial debt to replace the former negative housing subsidy system. This debt is currently planned to be repaid over a period not exceeding 30 years. In addition to debt repayments the council has adopted a new standard for investment in the housing stock and a commitment to fund a new build programme. However, recent developments in welfare and housing legislation require rent reductions and the prospect of paying an annual determination which will impact significantly on the levels of funding available for stock investment and improvement.</p>		<p>1. Failure to deliver the Norwich Standard within the expected timescale</p> <p>2. Lack of resources to be able to maintain the Norwich Standard.</p> <p>3. Lack of resources to support a new build programme.</p> <p>4. Requirement to sell off stock to fund determination</p> <p>5. Reduced tenant satisfaction</p> <p>6. Need to re-programme the housing investment plan</p>	

Controls	Adequacy	Critical Success
4. Effective contract management	Good	
1. Regular review of HRA business plan and housing investment plan to reflect financial position of the HRA. In particular we await indicative figures for the annual determination which is likely to require further reworking of the HRA business plan and changes to planned levels of spend	Good	
2. The timescale for delivering the Norwich Standard to all properties and the level of spend on the routine maintenance/replacement programme together with the delivery of any agreed new build programme.	Good	
3. Regular review of key projects.	Good	
5. Work with Registered Providers to maximise use of retained Right to Buy receipts for the development of new social housing where spend by the Council is not possible.	Good	

Action Plans	Responsibility	Target Date

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	Buildings Community New Government Policy and Expectations Budgets Repair & Regeneration
Linked Objective(s):	4. To make Norwich a healthy city with good housing

Risk	B1. Public sector funding
-------------	----------------------------------



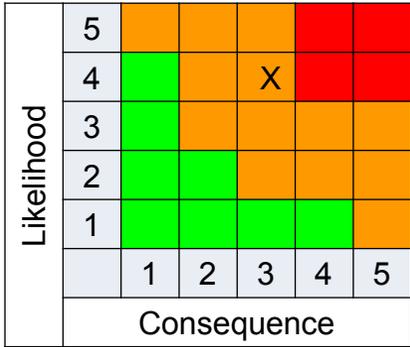
Risk Owners	Current Score	20	Last Review	02/08/2018
	Target Score		Next Review	30/11/2018
	Previous Score	20		
Triggers	Likelihood Factors (Vulnerability)		Potential Consequences	
<ul style="list-style-type: none"> 1. Reduction in rental income arising from: <ul style="list-style-type: none"> • compulsory 1% reduction in social housing rent for next four years wef April 2016 • higher level of council house sales due to improved incentives • increasing debt or other factors 2. Impact of determination to fund RTB for Registered Providers 3. Significant increase in the cost of delivering improvement works 4. Failure to deliver by contractors 5. Changes to housing finance within the Housing and Planning Bill 			<ul style="list-style-type: none"> 1. Failure to deliver the Norwich Standard within the expected timescale 2. Lack of resources to be able to maintain the Norwich Standard. 3. Lack of resources to support a new build programme. 4. Requirement to sell off stock to fund determination 5. Reduced tenant satisfaction 6. Need to re-programme the housing investment plan 	

Controls	Adequacy	Critical Success
1. Comprehensive 5-year transformation programme based on minimum resource allocation and robust benefit realisation.	Good	
2. Medium Term Financial Strategy incl. reserves policy, financial reporting to BMG & cabinet, transformation projects regularly monitored, MTFs is regularly reviewed and updated.	Good	
3. Weekly review by CLT of government announcements to assess implications and response required.	Good	
4. Keep service design under review	Good	
5. Continual review of financial position by the council and major partners	Good	

Action Plans	Responsibility	Target Date

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	1. To make Norwich a safe, clean and low-carbon city, 2. To make Norwich a prosperous and vibrant city, 3. To make Norwich a fair city, 4. To make Norwich a healthy city with good housing, 5. To provide value for money services

Risk	B2. Income generation
-------------	------------------------------



Risk Owners		Current Score	12	Last Review	02/08/2018	
		Target Score		Next Review	30/11/2018	
		Previous Score	12			
	Triggers	Likelihood Factors (Vulnerability)	Potential Consequences			
	<p>1. Further economic decline.</p> <p>2. Under-utilisation of assets</p> <p>3. CIL (community infrastructure levy) income is below expectations.</p> <p>4. Collapse in world markets leading to loss of income</p> <p>5. Low economic growth or recession reduces income</p> <p>6. Other triggers:</p> <p>a) Bethel St Police Station – market value payment</p> <p>b) Triennial pensions review.</p> <p>c) VAT partial exemption.</p> <p>d) Variable energy prices.</p> <p>e) Increasing voids due to market and economy factors.</p> <p>f) Loss of major tenant.</p> <p>g) GNGP board decision or cabinet decision on CIL investment arrangements.</p> <p>h) The council increasingly relies on income from NNDR (business rates). This is a volatile income stream and may be at risk from changes to Government policy around planning and if other councils allow commercial developments on the edge of the city but outside the boundary. The move to 100% Local Authority retention of business rates by 2020 will also transfer the risks entirely to the LAs</p> <p>i) Lack of experience in some services for generating income</p>		<p>1. Inability to raise capital receipts</p> <p>2. Impact on balancing the budget – significant change and financial savings required.</p> <p>3. Decline in income streams (eg rents from investment properties) – insufficient funds to maintain current service levels</p> <p>4. Unable to make saving within the required timescales</p> <p>5. Erosion of reserves</p> <p>6. Major financial problems</p> <p>7. Reputation damage</p> <p>8. Govt intervention</p> <p>9. Council loses critical mass in key areas</p> <p>10. Service failures</p> <p>11. Potential disproportionate impact on the poorest and most vulnerable members of society</p> <p>12. Damage/costs across void portfolio</p> <p>13. Essential infrastructure to deliver growth in the GNGP area is delayed.</p>			

Action Plans	Responsibility	Target Date

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	1. To make Norwich a safe, clean and low-carbon city, 2. To make Norwich a prosperous and vibrant city, 3. To make Norwich a fair city , 4. To make Norwich a healthy city with good housing, 5. To provide value for money services

Risk

B2. Income generation

Likelihood	5					
	4			X		
	3					
	2					
	1					
		1	2	3	4	5
Consequence						

Controls	Adequacy	Critical Success
1. Comprehensive 5-year transformation programme based on minimum resource allocation and robust benefit realisation.	Good	
2. Medium Term Financial Strategy incl. reserves policy, financial reporting to BMG & cabinet, transformation projects regularly monitored, MTFS is regularly reviewed and updated.	Good	
3. HRA business plan kept under review.	Good	
4. GNGP have an agreed investment plan for the Greater Norwich area and have appointed consultants to advise on the use of CIL to help deliver this programme.	Good	
5. Clear strategy for investment	Good	
6. Commercial skills training provided to all Heads of Service	Good	
7. Element of CIL programme controlled by Norwich prioritised and caution taken to ensure spend not incurred until monies certain to be received.	Good	
8. Independent review of income generation opportunities completed Spring 2016 and options built in to the transformation programme	Good	

Risk	B3. Level of reserves
-------------	------------------------------

Likelihood	5					
	4					
	3					
	2			X		
	1					
		1	2	3	4	5
Consequence						

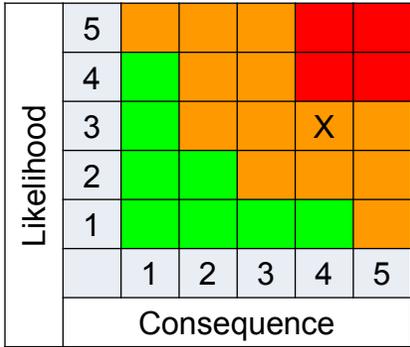
Risk Owners	Current Score	6	Last Review	24/02/2017
	Target Score		Next Review	31/03/2017
	Previous Score	6		
Triggers		Likelihood Factors (Vulnerability)		Potential Consequences
1. Government policy. 2. Economic climate 3. Reserves fall below acceptable levels		The council has a legal duty to ensure it has a prudent level of reserves to conduct its business		1. Inadequate levels of reserves publicly reported by external auditors 2. Government intervention 3. Impact on reputation of the council

Controls	Adequacy	Critical Success
1. Medium term financial strategy (MTFS).	Good	
2. Development of the 5-year corporate plan and transformation programme in conjunction with the MTFS.	Good	
3. HRA Business Plan.	Good	
4. Planning and delivery of transformation (savings and income generation) programme	Good	
5. Contract and business relationship management to identify and respond to business delivery risks.	Good	
6. Budget development, in-year monitoring and control	Good	

Action Plans	Responsibility	Target Date

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	1. To make Norwich a safe, clean and low-carbon city, 2. To make Norwich a prosperous and vibrant city, 3. To make Norwich a fair city 4. To make Norwich a healthy city with good housing, 5. To provide value for money services

Risk	B4. Capital developments
-------------	---------------------------------

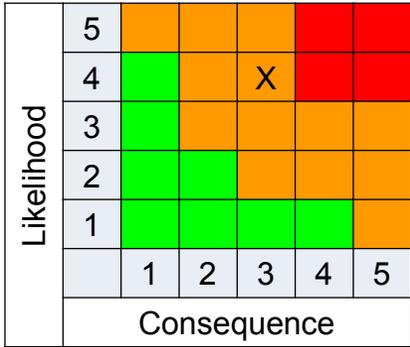


Risk Owners		Current Score	12	Last Review	24/02/2017
		Target Score		Next Review	31/03/2017
		Previous Score	12		
Triggers		Likelihood Factors (Vulnerability)		Potential Consequences	
<ol style="list-style-type: none"> 1. Housing / other developments may take longer to proceed than planned. 2. Housing / other developments may cost more than planned. 3. Interest rates on debt may rise beyond projections. 4. Developments may not generate planned levels of income. 5. Asset sales may not be sufficient to fund major repairs 				<ol style="list-style-type: none"> 1. Delay in income streams may put pressure on revenue budgets. 2. Reduced net revenue contribution from developments. 3. May put pressure on revenue budgets / reserves to service debts 4. Pressure on capital budgets 	

Controls	Adequacy	Critical Success
1. Medium Term Financial Strategy incl. reserves policy, capital and revenue financial reporting to BMG & cabinet, transformation projects regularly monitored, MTFS is regularly reviewed and updated.	Good	
2. HRA Business Plan.	Good	
3. Capital Management Group set up and reporting quarterly to CLT	Good	
4. Business cases for individual investments and continual review of investments	Good	
5. Balanced risk profile	Good	
6. Business plan for new housing development company approved by cabinet	Good	
7. Housing company's own risk register	Good	
8. Continuity policy to only commit spend once resources are available	Good	

Action Plans	Responsibility	Target Date
Risk Path:	Norwich City Council/Norwich City Council	
Risk Category:		
Linked Objective(s):	<ol style="list-style-type: none"> 1. To make Norwich a safe, clean and low-carbon city, 2. To make Norwich a prosperous and vibrant city, 3. To make Norwich a fair city 4. To make Norwich a healthy city with good housing, 5. To provide value for money services 	

Risk	C1. Emergency planning and business continuity
-------------	---



Risk Owners		Current Score	12	Last Review	02/08/2018
		Target Score		Next Review	30/11/2018
		Previous Score	12		
	Triggers	Likelihood Factors (Vulnerability)		Potential Consequences	
	<p>Occurrence of a significant event:</p> <ul style="list-style-type: none"> • Loss of City Hall • ICT failure • Contractor collapse • Severe weather events – storms, heatwaves, strong winds • Flooding • Sea level rise • Fuel shortages • Communications failure • Pandemic • Loss of power <p>The council, businesses and members of the public in the city will also be at risk from the local effects of climate change in the medium to long term.</p>	<p>"The council delivers a range of complex services to vulnerable elements of the community.</p> <p>Organisations generally are experiencing significant continuity events once every five years on average</p>		<ol style="list-style-type: none"> 1. Service disruption and inability to deliver services 2. Disruption of the delivery of goods and services to the council 3. Increased requests for council resources and services 4. Health and safety impact on staff and vulnerable residents 5. Damage to council property and impact on tenants 6. Reputation damage 7. Years to recover 	

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	<ol style="list-style-type: none"> 1. To make Norwich a safe, clean and low-carbon city, 2. To make Norwich a prosperous and vibrant city, 3. To make Norwich a fair city 4. To make Norwich a healthy city with good housing, 5. To provide value for money services

Action Plans	Responsibility	Target Date

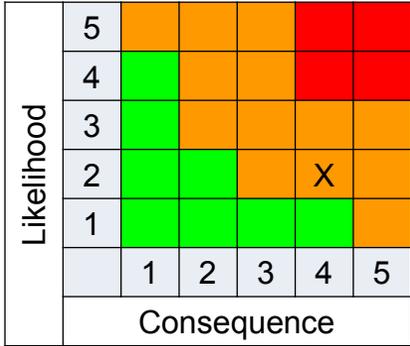
Risk

C1. Emergency planning and business continuity

Likelihood	5					
	4			X		
	3					
	2					
	1					
		1	2	3	4	5
	Consequence					

Controls	Adequacy	Critical Success
01. The council is a member of the Norfolk Resilience Forum, which has produced a Norfolk Community Risk Register	Good	
02. Business continuity team with access to resources; action plans have been used to deal with actual total City Hall IT failure; alternative site for customer contact team; disaster recovery plan and the use of Blackberries for communications.	Good	
03. The council has a major emergency management strategy and emergency planning room established at City Hall. Approach has also been used to test business continuity in the event of the main works contractor changing.	Good	
04. Flu pandemic plan.	Good	
05. Adaptations to protect the council from the local effects of climate change and address the causes are covered by corporate strategies such as the environmental strategy, together with service plans.	Good	
06. A new business continuity management policy and framework was approved by cabinet 25 June 2014.	Good	
07. A business impact analysis for each service is signed off by the head of service and executive head of service.	Good	
08. Business continuity steering group chaired by the D-BS.	Good	
09. Overall business continuity plan reviewed by CLT.	Good	
10. Periodic business continuity exercises, and lessons learnt communicated through BMG.	Good	

Risk	C2. ICT Strategy
-------------	-------------------------



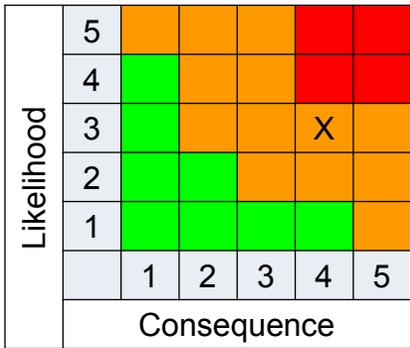
Risk Owners	Current Score	8	Last Review	02/08/2018
	Target Score		Next Review	30/11/2018
	Previous Score	8		
Triggers	Likelihood Factors (Vulnerability)		Potential Consequences	
1. ICT strategy fails to support the organisation moving forward and the blueprint for a new council	The council has transferred its ICT service to LGSS. The ICT Programme Board works alongside LGSS to keep up to date the ICT strategy for the council		<ol style="list-style-type: none"> 1. Incoherent approach to ICT systems 2. Systems not customer friendly 3. Systems are not integrated with one another 4. Drain on resources as staff work around the systems 5. Lack of accuracy in key data 6. Data are unreliable 7. Key information not trusted 8. Hinders management and service improvements 9. Failure to deliver council priorities 	

Controls	Adequacy	Critical Success
1. NCC has developed an ICT strategic direction document detailing the key areas where ICT is required to support business objectives and change	Good	
2. Management of the LGSS relationship will seek to ensure that NCC requirements are delivered	Good	
3. The council has an ICT Programme Board, attended by LGSS IT.	Good	

Action Plans	Responsibility	Target Date

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	<ol style="list-style-type: none"> 1. To make Norwich a safe, clean and low-carbon city, 2. To make Norwich a prosperous and vibrant city, 3. To make Norwich a fair city 4. To make Norwich a healthy city with good housing, 5. To provide value for money services

Risk	C3. Information security
-------------	---------------------------------



Risk Owners	Current Score	12	Last Review	03/08/2018
	Target Score		Next Review	30/11/2018
	Previous Score	12		
Triggers	Likelihood Factors (Vulnerability)		Potential Consequences	
<ol style="list-style-type: none"> Sensitive and/or personal data is sent to the incorrect recipient or not kept securely, or is lost Data is emailed to insecure email addresses. Lap top or memory stick containing data is lost or stolen. Information is sent to incorrect addresses. External malicious attack (hacking) Hard copy data is lost or stolen" 			<ol style="list-style-type: none"> Fine up to £0.5 million Potential harm to data subjects through loss, release or corruption of personal data Reputational risk 	

Controls	Adequacy	Critical Success
01. Regularly remind all managers, employees and members of their responsibilities for the use of and security of data.	Good	
02. Prohibit using mobile devices to store or process sensitive or personal data unless device is encrypted.	Good	
03. Encrypt lap tops and data sticks when they are used to store or process sensitive or personal data.	Good	
04. Proper disposal of confidential waste.	Good	
05. Updated IT User Security policy issued April 2015 to all staff and other people who access the councils systems (e.g. partners, contractors etc.)	Good	
06. The council has achieved public sector network (PSN) & payment card industry (PCI) compliance	Good	
07. The council has an ICT programme board, attended by LGSS IT.	Good	
08. Corporate information assurance group	Good	
09. Annual security report from LGSS IT	Good	
10. Information risk policy and risk assessment	Good	
11. Business continuity and disaster recovery arrangements	Good	
12. Incident response plan and lessons learned	Good	
13. Horizon scanning for potential legislative change, such as the EU General Data Protection Regulation (GDPR)	Good	

Action Plans	Responsibility	Target Date

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	5. To provide value for money services

Risk	C4. Failure of major contractor or legal challenge following an unsuccessful tender bid
-------------	--

Likelihood	5					
	4					
	3			X		
	2					
	1					
		1	2	3	4	5
Consequence						

Risk Owners		Current Score	9	Last Review	03/08/2018
		Target Score		Next Review	30/11/2018
		Previous Score	9		
Triggers	<ol style="list-style-type: none"> The council has a number of key contractors who may be vulnerable to market and economy factors. In addition the number of legal challenges (and therefore injunctions preventing a contract award) is increasing due to the financial pressures and reducing workload Key contractor goes into administration or an injunction is issued preventing the award of a new contract 	Likelihood Factors (Vulnerability)		Potential Consequences	<ol style="list-style-type: none"> Customer and staff complaints Services not delivered Contingency plans have to be invoked Cost and time to retender contract Cost and time to defend legal challenge Additional unforeseen costs impact delivery of balanced outturn and reserve levels

Controls	Adequacy	Critical Success
1. Monitor major contractors for warning signs and make any necessary contingency plans. Recently put into practice and contingency plans tested.	Good	
2. Ensure a robust procurement process is followed in accordance with the appropriate procurement regulations, NCC processes and best practice.	Good	
3. NPS JV extended to include works division. This arrangement enables the JV to carry out work that was previously contracted to private sector. This approach is in line with the Council's operating model. This provides enhanced security over the supplier and increased direct control by the council.	Good	
4. Contingency budget and allowance for failures within the calculation of prudent minimum balance of reserves	Good	
5. More use of shared services reduces size and scope of contracts with private sector providers (eg ICT)	Good	
6. Increased use of framework contracts increases resilience against contractor failure.	Good	

Action Plans	Responsibility	Target Date
Risk Path:	Norwich City Council/Norwich City Council	
Risk Category:		
Linked Objective(s):	5. To provide value for money services	

Risk	C5. Fraud and corruption
-------------	---------------------------------

Likelihood	5					
	4					
	3					
	2			X		
	1					
		1	2	3	4	5
Consequence						

Risk Owners	Current Score	6	Last Review	03/08/2018
	Target Score		Next Review	30/11/2018
	Previous Score	6		
Triggers		Likelihood Factors (Vulnerability)	Potential Consequences	
<ol style="list-style-type: none"> Poor internal controls Lack of guidance or policies Failure in internal control. Discovery of fraudulent acts. Allegations received. Member of staff or councillor breaks the law. 			<ol style="list-style-type: none"> Loss of income or assets Negative public opinion Effect on use of resources Increased costs of external audit Cost of investigation and rectifying weaknesses Prison 	

Controls	Adequacy	Critical Success
01. Internal audit	Good	
02. Anti-fraud and corruption policy	Good	
03. Payment Card Industry security assessment to protect card payments	Good	
04. National Fraud Initiative	Good	
05. Whistleblowing policy	Good	
06. Review and update as necessary policies and procedures.	Good	
07. Assess risk of bribery, train staff and monitor and review procedures.	Good	
08. Robust procurement procedures, e-tendering portal and governance by the procurement team	Good	
09. Delegation procedures	Good	
10. Money laundering policy	Good	

Action Plans	Responsibility	Target Date

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	5. To provide value for money services

Risk	D1. Industrial action
-------------	------------------------------

Likelihood	5					
	4					
	3		X			
	2					
	1					
		1	2	3	4	5
	Consequence					

Risk Owners	Current Score	6	Last Review	03/08/2018
	Target Score		Next Review	30/11/2018
	Previous Score	6		
Triggers		Likelihood Factors (Vulnerability)	Potential Consequences	
<ol style="list-style-type: none"> Changes to pension regulations and pay restraint and changes to terms and conditions could lead to industrial action by employees National negotiating framework - failure to agree. Ballot of union members. Implementation of changes to the LGPS. Implementation of government interventions on pay 			<ol style="list-style-type: none"> Loss of key services Public safety Loss of income Reputation 	

Controls	Adequacy	Critical Success
1. 2 stages – managing the threat of industrial action and responding to industrial action Identify and agree with UNISON exemptions from strike action	Good	
2. Identify and implement business continuity/contingency plans to maintain essential services and ensure statutory duties are met	Good	
3. CLT agree and implement strategy for response to strike action ie assessing the scale of the action, communications, response depending on nature of the action, wider industrial relations implications, deductions from pay etc	Good	
4. National and regional guidance	Good	
5. Statutory immunities – Trade Union Labour Relations (Consolidation) Act	Good	
6. Well embedded business continuity and industrial action plans	Good	

Action Plans	Responsibility	Target Date

Risk Path:	Norwich City Council/Norwich City Council
Risk Category:	
Linked Objective(s):	<ol style="list-style-type: none"> To make Norwich a safe, clean and low-carbon city, To make Norwich a prosperous and vibrant city, To make Norwich a fair city, To make Norwich a healthy city with good housing, To provide value for money services

New Corporate Risk Register, as agreed at Corporate Leadership Team 14 November 2018

	Risk	Responsible Officer
1	Failure to fulfil statutory or legislative responsibilities, including safeguarding.	Director of neighbourhoods (Bob Cronk)
2	Failure to deliver corporate plan objectives: <ul style="list-style-type: none"> • Great neighbourhoods housing and local environments; • Inclusive economy • Live well 	Chief executive officer (Laura McGillivray)
3	Failure to deliver responsive financial planning	Chief finance officer (Karen Watling)
4	Failure to change at the pace required and adapt to change.	Head of strategy and transformation (Helen Chamberlain)
5	Failure to deliver services with/from partners.	Director of business services (Anton Bull)
6	Lack of adequate skills and capacity.	Head of HR and learning (Dawn Bradshaw)
7	Major risks/emergency planning.	Director of business services (Anton Bull)

Norwich City Council exists to help the people of the County to help themselves and to act as a safety net for the most vulnerable. The Council seeks to ensure that services delivered, either directly or through others, are of a high quality, provide value for money and meet evidenced need.

“A risk is an **uncertain** event which, should it occur will have an effect on the achievement of objectives.”

Risk Management is the identification, assessment and prioritisation of risks followed by:

- the coordinated and economical application of resources to minimise, monitor and control the probability or impact of unfortunate events / threats; AND
- to maximise the realisation of opportunities.

Dates for reporting and review of Corporate and Directorate Risk Registers to CLT:

Dates for reporting to NoCC Audit Committee:

LGSS Risk Management Customer Charter

Good Risk Management helps an organisation understand the threats to and how opportunities can be exploited to achieve its objectives.

The LGSS Risk Service seeks to help the Council ensure its most significant risks are being proactively managed and agreed action is taken.

LGSS Risk Management will:

- Support and train NoCC staff to effectively use GRACE as the designated risk management tool and aide their understanding of risks and mitigations;
- Provide advice on the adequacy of controls in place to manage risks (control environment);
- Horizon scan for emerging risks;
- Support the full review of risks (through Management Teams) is undertaken on a quarterly basis at all levels of management to ensure:
 - All key risks are included
 - minor / non-relevant risks are closed
 - actions and controls are agreed
 - risk scores are accurate and relevant, e.g. to reflect completed actions
- Consider the risk action plans and their implementation as part of their challenge and highlight missed / overdue actions;
- Present a report to, and attend, CLT each quarter:
 - To summarise DMT risk information, and
 - support a review of Strategic risk by CLT
- Prepare Quarterly reports for the Audit Committee and Cabinet summarising the key Risk Register information;
- Undertake an annual review of the Risk Management Framework and Strategy including an annual report on Risk Management;
- Facilitate Risk Identification Workshops.

The Risk Team will not 'audit' the compliance with the control environment to ensure independence is maintained and the Risk service cannot own NoCC risks nor their controls / mitigations.

NoCC CLT will:

- Own and lead the corporate risk management process including providing for sufficient time annually to undertake a full review of Strategic Risks and Risk Management framework etc;
- Review Strategic risks on a quarterly basis providing for sufficient time to properly consider emerging risks etc;
- Review their significant directorate risks on a quarterly basis and escalate to Corporate level if necessary;
- Receive urgent risk reports as necessary;
- Ensure risk is given due consideration in all management processes.

NoCC Chief Finance Officer will:

Champion and take overall responsibility for seeking to ensure that effective risk management processes operate throughout the Council.

NoCC Executive Heads and Heads of Service will:

- Take personal ownership of those assigned Strategic Risk on behalf of CLT
- Review directorate risk registers on a quarterly basis through their Management Team;
- Ensure that risk is given due consideration in all management processes;
- Ensure that risks identified within their directorate are managed at an appropriate level, including escalation to corporate level where appropriate;
- Provide the Chief Executive and Leader with an assurance statement as to how risk is being managed as a contribution to the preparation of the Annual Governance Statement.