

North York Moors National Park Authority Finance, Risk, Audit and Standards Committee

3 February 2014

Risk Management Strategy Update

1. Purpose of the Report

- 1.1 To update Members on the Authority's Risk Management Strategy and to seek approval for amendments to the Authority's Corporate Risk Register.

2. Background

- 2.1 Previously the Performance Monitoring and Management Committee regularly received updates on the Authority's Corporate Risk Register for approval. The Register is a working document and the process that was undertaken to develop this was facilitated by NYCC's Insurance and Risk Management Team. The revised scheme of delegation for FRASC includes the responsibility to review and approve the Risk Management Strategy and Corporate Risk Register.

3 Risk Register Update

- 3.1 The draft Risk Register for 2014 is attached as **Appendix 1**. It has been recently thoroughly revised by the Chief Executive and Directors based on a current assessment of risks and the Strategic Priorities in the Business Plan. Risks relating to Internal Controls and the Connectivity of Habitats have been removed from the register. Officers consider that the actions taken during the last 12 months mean that these areas are no longer strategic risks. An additional risk has been added, however, in relation to the This Exploited Land project. After Stage 1 HLF approval, the project is now entering its development phase and, while Officers are confident of success at Stage 2, the grant sums involved are significant and therefore deemed worthy of inclusion on the Risk Register.
- 3.2 The assessment of risk has been considered on the basis of a reduction in the financial risk thresholds to take into account the change in exposure due to the dramatic reductions in grant.
- 3.3 **Appendix 1** is a summarised version of the Strategic Risk Register and includes details of the current risk rating and the impact that the proposed risk reduction actions are likely to have on the rating. It also details a comparison of the current risk rating with that when it was reviewed in February 2013.
- 3.4 Copies of the full risk register including details of planned risk reduction actions can be provided on request. Members are asked to consider the draft Register and decide on any changes or additions they believe are necessary.

4. Financial Implications

- 4.1 There are no financial implications resulting from this report.

5. **Legal and Sustainability Implications**

5.1 There are no legal or sustainability implications resulting from this report.

6. **Recommendation**

6.1 That Members note the contents of this report, discuss the proposed Register and approve the final version contained in **Appendix 1**.

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Background documents to this report

File Ref.

1. 2014 Corporate Risk Register

List of Key Objectives for North York Moors National Park Authority

Objectives	
Strategic Purposes and Duty	
1*	To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park
2*	To promote opportunities for the understanding and enjoyment of the special qualities of the National Park by the public.
3*	To seek to foster the socio-economic interests of local communities in pursuing the two purposes.
Strategic Priorities	
4	To deliver improvements to the connectivity of habitats in order to improve the biodiversity and landscape character whilst mitigating the impacts of climate change.
5	To promote the North York Moors to achieve the second purpose (promoting opportunities for the understanding and enjoyment of the special qualities of the park by the public) and support the local economy.
Cross-cutting Themes	
6	To ensure that the services are delivered in the most efficient way to ensure that quality outcomes are delivered most economically.
Generic	
7	To comply with all relevant legislative requirements e.g. health and safety, equality and diversity etc.
8	To seek to enhance the outcomes delivered by generating income from external sources; earned and for specific projects.

Prepared by: Irene Brannon & Ian Nicholls

Date: January 2014

* = significant objectives

North York Moors National Park Authority

Risk Classification Table: **2014**
 Report Date: 12th December 2013 (pw)

Likelihood	
Probability	H = > 60% or Probable M = 30% to 60% or Possible L = < 30% or Unlikely
Impact	
Objectives	H = Impacts on over 3 objectives or more than 1 significant objective M = Impacts on 2-3 objectives or 1 significant objective L = Impacts on 1 objective
Financial	H = Over £75k hit or loss of substantial opportunity M = Between £25k-£75k loss or loss of notable opportunity L = Up to £25k loss or loss of some opportunity
Services	H = Significant impact on performance / delivery of BP targets, 2 or 3 major work programmes affected, significant project slippage M = Notable impact on performance / delivery of BP targets, notable project slippage L = Minor impact on performance / delivery of BP targets
Reputation	H = Key stakeholder criticism, external inquiry, external auditor criticism, significant customer dissatisfaction, national adverse media M = Notable customer dissatisfaction, adverse regional media L = Some customer dissatisfaction, local adverse media

North York Moors National Park Authority

Risk Register: **January 2014 Review - Summary**

Report Date: 17th January 2014 (cpc)

Identity			Person		Classification												Fallback Plan			
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre					RR		Post					FBPlan	Action Manager		
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv			Rep	Cat
◀▶	201/148 - Minerals Planning	Lack of capacity and resources both within the Authority and partner organisations to deal with the complex issues relating to the exploration and potential extraction of minerals along the coastal edge of the national park resulting in inability to effectively assess the environmental impact with the socio economic benefits, negative impact on other planning work, reputational damage both locally and nationally, legal action and inability to deal with complex issues in relation to other minerals related applications. An additional emerging risk is the potential for planning applications relating to gas extraction through fracking.	NYM CEO	NYM DIR DM	M	H	H	M	H	2	8	30/06/2014	M	H	H	L	H	2	Y	NYM CEO
▲	201/158 - Funding Challenge	Inability to deliver current Business Plan and manage any further reduction in allocation of funding results in failure to deliver Purposes. Reduction in the availability and increased competition for external funding sources.	NYM CEO	NYM DIR CS	M	H	H	H	H	2	8	31/03/2015	M	M	H	H	M	2	N	
▲	201/200 - Flood, Fire Damage and Other Disaster Events	Repetition of flood, fire damage or other disaster events within the Park resulting in diversion of staff time and resources away from business plan priorities, eg foot and mouth.	NYM CEO	NYM CEO	M	H	M	M	L	2	2	31/12/2014	M	M	M	M	L	4	N	
◀▶	201/161 - Procurement Process	Failure to follow the required Procurement process and management of Contracts for goods and services resulting in potential for legal challenge and failure to achieve value for money.	NYM CEO	NYM DIR CS	M	L	M	L	H	2	3	30/09/2014	L	L	L	L	L	5	N	
- new -	201/391 - This Exploited Land (TEL) Project	This project does not meet HLF requirements for stage 2 funding. If funding is achieved, the project disrupts the work of the Authority and fails to consult effectively with partners leading to poor delivery.	NYM CEO	NYM DIR CONSERV	M	M	H	H	M	2	7	30/04/2014	L	L	L	L	L	5	N	
◀▶	201/198 - Fraud and Corruption	Failure to detect and act upon fraudulent or corrupt activity resulting in financial loss to the authority.	NYM CEO	NYM DIR CS	L	L	L	L	H	3	1	30/06/2014	L	L	L	L	H	3	N	



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◀▶	201/199 - Legal Action against Authority (non Health & Safety)	Potential successful legal action against the Authority as a result of members of the public to whom we owe a duty of care (including vulnerable groups) come to harm through the Authority's actions, inactions, or decisions across all of the Authority's activities	NYM CEO	NYM DIR CS	L	L	M	M	H	3	4	30/09/2014	L	L	M	M	H	3	N	
▲	201/202 - Business Continuity Planning	Failure to update and test comprehensive and effective business continuity plans throughout the Authority resulting in potential inability to recover delivery of services following loss of premises, records or IT systems, etc and criticism.	NYM CEO	All Mgt Board	L	M	H	H	M	3	4	30/06/2014	L	M	H	H	L	3	N	
▼	201/347 - New Initiatives	Failure to explore and take full advantage of new service development opportunities resulting in lack of growth in income and lost innovation options. Failing to ensure that the balance between risk and opportunity in new service development opportunities is not appropriately taken in to account.	NYM CEO	All Mgt Board	L	M	H	M	M	3	7	31/03/2014	L	L	M	M	L	5	N	
◀▶	201/159 - Tourism and Profile	Failure to promote tourism, sustain and improve tourism activity, raise the profile of the NP and convey NPA messages resulting in loss of opportunity to raise awareness and deliver our Second Purpose and Duty	NYM CEO	NYM CEO	L	H	L	L	M	3	9	30/06/2014	L	M	L	L	M	5	N	
◀▶	201/201 - Information Governance - DPA and FOI	Failure to comply with DPA and FOI/EIR requirements and consequent issues resulting in loss of reputation, prosecution, complaints, claims. Together with lack of capacity to deal with an increase in volume and complexity of complaints resulting in a negative impact on workload.	NYM CEO	NYM DIR CS	M	M	L	M	M	4	7	30/09/2014	L	L	L	L	L	5	N	
◀▶	201/330 - Renewable Energy Projects - Ruswarp Hydro	a) Inability for practical or policy reasons of the Esk Energy Ltd Ruswarp Hydro Installation to generate sufficient electricity resulting in potential reputational damage and financial loss. b) Inability of the Authority to ensure that the Environment Agency generate sufficient data to evidence that the fish and other wildlife stocks will not be harmed resulting in policy dilemmas, reputational risk and potential legal challenge	NYM CEO	NYM DIR PS	M	M	L	L	M	4	3	30/06/2014	L	L	L	L	L	5	N	






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					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
	201/203 - Health And Safety	Failure to meet Health and Safety statutory requirements in relation to staff, Members, volunteers, service users and contractors resulting in possible loss of life/serious injuries, prosecution, claims, media attention, fines.	NYM CEO	NYM DIR CS	L	L	M	L	M	5	5	30/06/2014	L	L	L	L	M	5	N	

Key	
	Risk Ranking has worsened since last review.
	Risk Ranking has improved since last review
	Risk Ranking is same as last review
- new -	New or significantly altered risk

