



## **BLYTH TOWN COUNCIL**

### **RISK MANAGEMENT POLICY**

#### **Risk Management Policy**

The Council is responsible for putting in place arrangements for the management of risk. The Town Clerk shall prepare for approval by the Council, a risk management policy and assessment in respect of all activities of the Council. Risk policy statements and consequential risk managements shall be reviewed by the Council at least annually.

When considering any new activity or in consideration of changes to existing arrangements, the Town Clerk shall consider risk assessment, including risk management proposals for consideration and adoption by the Council/Committee.

All Decision Reports will cover this aspect along with any associated impact.

#### **Major Threat**

The greatest risk facing the Council is either not being able to deliver the activity or services expected by residents/within a legal/financial/operational framework or delivery in such a way that it has a detrimental impact.

Risk assessment is a systematic general examination of various elements which contribute towards an activity that enable to Council to identify any and all potential risks inherent in the place or practices.

Based on a recorded assessment the Council should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible, making sure that all employees are made aware of the results of the risk assessment.

This document has been produced to help enable the Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following main points have been followed and documented accordingly. This has been considered alongside the Council's Standing Orders, Financial Regulations and the NALC Joint Panel on Accountability and Guidance Manual:

- Identify the areas to be reviewed.
- Identify what the risk may be.
- Evaluate the management and control of the risk and record all findings.
- Review assess and revise if required
- The points and areas identified below cover the Council as a whole and where individual considerations are made a number of these will be taken into account.

<b>FINANCE &amp; GENERAL MANAGEMENT</b>				
<b>Topic</b>	<b>Risk</b>	<b>H/M/L</b>	<b>Management/Control of Risk</b>	<b>Review/Assess/Revise</b>
Business Continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance.	<p><b>L</b></p> <p><b>L</b></p> <p><b>L</b></p>	<p>Business Continuity Plan agreed, and a suitable staffing structure is in place.</p> <p>All documents are backed up both on/off site.</p> <p>Where instances require working outside of the office a separate Google drive has been set up to allow access to documents on our main server. All staff have access to laptops, additional mobile phones purchased, and video conferencing facilities are in place.</p>	Ongoing review.
Precept Determination	Fit for purpose	<b>L</b>	Councillors receive updates at each planned committee meeting showing actual against budget. This provides effective analysis and monitoring. When budgets are formed (October - January) the Town Clerk works with each Committee to	Process used has been established for some time and operates effectively.

			determine the budget for the next year. In January, the precept calculations are received and budget finalised.	
Precept Income	Income not received from NCC or reduced from January's projected amounts.	<b>L</b>	Reserves value is based on good practice and is based on 25% of the precept as a minimum.  An unlikely scenario.	Procedure set to mitigate this risk.
Financial Records	Not complete or inaccurate and associated risks	<b>L</b>	The Council has Financial Regulations, which govern the conduct for financial management by Officers. Regular information sent to the Chair of governance. Regular internal audit visits.	Ongoing review.
Cash	Loss through theft or dishonesty	<b>L</b>	Council requirements are set out in the Financial Regulations. Cash received is banked as soon as practicably possible in line with insurance requirements. Insurance cover in place. Safety of staff paramount and 2 staff must travel to the bank, although this is greatly reduced by card payments now available.	Existing procedures are adequate and financial regulations are reviewed annually.



<p>Payment Approval</p>	<p>Payments authorised by Officer receiving the goods/services.</p>	<p><b>L</b></p>	<p>All payment transactions made are following the Financial Regulations process. Cash book updated immediately and just prior to payment. The Free Agent, VAT system, updated. Any new asset marked as such for specific part of cash book. Insurance question reviewed.                  Financial regulations checked independently at each internal audit visit.                  Authorisations for on-line banking are carried out independent of Officer creating payment. Where cheques used these require 2 signatories. Officers accessing the bank have their own key fobs and separation of duties exist.</p>	<p>Procedures proved to be satisfactory over many years.</p>
<p>Grants Received</p>	<p>Grants are applied for against specific projects.</p>	<p><b>L</b></p>	<p>Grant applications are prepared by the Town Clerk and approved by the Council. The Town Clerk checks progress and reports back when the application result is determined. Grants normally have conditions of use attached, these being checked and monitored by the Clerk.</p>	<p>The application process determines the procedure to be followed if at variance from the financial regulations.</p>

		<b>L</b>	Rents and discounts are agreed by Council. There are situations that the Council has agreed whereby the Town Clerk can apply discretion in certain cases.	Existing procedures work well and part of management/internal audit review process.
Achieving Best Value	Multiple quotes for larger projects.	<b>L</b>	The finance regulations dictate when multiple quotes/tenders etc. are required. All projects over £25,000 have to be advertised on a national Contracts portal. For significant spend projects contracts awarded through sealed bid tenders. Professional contractors used to project manage the contractor. Project specification produced for significant tenders as part of the tender process.	Existing procedures reviewed annually as a minimum in addition to work carried out at each internal audit visit.
	Project overspend	<b>M</b>	Each significant project carries a risk of overspend or other eventualities and variation. The governance arrangements in place allow delegation to the Town Clerk in certain cases. The Council is kept up to date as required as the project develops.	Review procedures after each project is carried out.

Resources	Adequacy to deliver	<b>M</b>	Discuss fully the level of resources required and if they are available.	Ongoing monitoring
Reserves	Inadequate reserves and safeguarding reserves for intended purpose	<p><b>L</b></p> <p><b>L</b></p> <p><b>L</b></p>	<p>A General Reserve Fund and Earmarked Reserve Fund, only where applicable, have been established. Capital Projects that are being saved for are to be identified as such in the earmarked reserves and with an unrestricted contingency fund.</p> <p>Funds are transferred to support capital works and any additions to the fund are approved at the start of the financial year.</p> <p>Proposal for the use of any fund is subject to a resolution by the Full Council as per the Standing Orders.</p>	<p>This should, where appropriate, include an agreed allocation of funding each budget year when the budget is set.</p> <p>Develop an Asset Management Plan to include life-span analysis and renewal &amp; improvement of Town Council assets. Ensure an allocation of reserves in an earmarked budget for this purpose or include an amount within the budget to resource this.</p>



Election costs	Risk of unexpected election.	<b>L</b>	Council budgets now allow for planned elections. County Council Elections office advice sought annually on potential election costs. Level of reserves are adequate to meet such costs.	Current practice is to budget for a full set of elections every 4 years. Reserves would be used to meet other election costs if necessary.
VAT	Reclaiming/recharging	<b>L</b>	Requirements set out in the financial regulations. VAT claims are made on a quarterly basis.	Existing procedures checked at each internal audit as well as annually by external audit. The cash book is reconciled to a second system used to claim VAT using the Tax Digital portal.
Investments	Failure to have a policy and its implementation.	<b>H</b>	Strategy in place along with regular monitoring.	Annual review of policy or earlier if required.
Borrowing	Not approved within guidelines.	<b>L</b>	Full council approval would be required. No borrowing arrangements in place but covered within Financial Regulations, Department of Housing, Communities and Local	Annual review of policy or earlier if required.

			Government guidelines in addition to NALC guidelines.	
Insurance	Failure to meet needs and requirements.	<p><b>L</b></p> <p><b>L</b></p> <p><b>M</b></p>	<p>Reviewed annually prior to policy renewal. All associated liability covered. Policy updated as new assets added. Employee cover adequate and current.</p> <p>Assets reviewed on an annual basis along insurance considerations. Not all assets are insured after committee consideration. Specialist brokers used to assist the council with their needs.</p> <p>Separate dedicated and specific policy for Town Events.</p>	<p>Insurance brokers used to assist the Council in meeting their responsibilities.</p> <p>Assets are part of the AGAR process.</p> <p>Reviewed annually by insurance broker and TC/DTC along with Events Co-ordinator.</p>
Annual Return	Non-Completion and not submitted within time limits.	<b>L</b>	Annual Return is completed and submitted to the Internal Auditor for checking. Approved by the Governance Committee then Council where signed before sending to the External Auditor within time limit.	Existing procedures adequate.

<p>Council Records – paper</p>	<p>Loss through fire of theft.  Computer Failure</p>	<p><b>L</b>  <b>M</b></p>	<p>Electronic records held on computer.  Regular back-ups taken, stored on/off site.</p>	<p>Adequacy of back-ups monitored independently by the council’s IT support.</p>
<p><b>STAFFING</b></p>				
<p>Salaries</p>	<p>Salaries incorrect, wrong hourly rate or hours worked.          Wrong deductions of NI or Tax, Unpaid Tax</p>	<p><b>L</b>          <b>L</b></p>	<p>Contracts of employment are in place and outline each officer’s salary. The budget is prepared and checked by another officer for correctness. The salary for each officer is checked by Northumberland County Council who process the payments. Salary budgets are prepared for the Governance Committee which allows further monitoring to take place. Additional salary/expenses forms need to be signed by the Town/Deputy Clerk.  The Council prepare salary budgets for the County Council which are monitored. The County Council are</p>	<p>Existing procedures checked monthly as well as at internal audit visits.</p>

	and NI contributions to Inland Revenue.		responsible for forwarding on deductions made.	
Expense Claims	Fraud or incorrect claims.	<b>L</b>	Expenses must be approved. Mileage claims paid on completion of claim form and receipts provided where appropriate. Mileage claim rates match those recommended by NALC.	Ongoing review. All forms checked by the TC/DTC.
Workplace Pension Scheme	Scheme not administered correctly	<b>L</b>	The Council agreed to use the NEST scheme. NEST is a public corporation accountable to Parliament through the DWP.	Employee pension deductions are made through the County Council and NEST are aware of the monthly payments to be made by the Council. Internal monitoring as well as regular internal audit checks take place.
General	Loss of key staff or long-term illness, resignation, or misconduct.	<b>M</b>	Staff structure in place to allow business continuity in the short/medium term and after these external resources, e.g. NCC, would need to be brought in. Various options available –	Ongoing review

	Health and Safety training requirements.	L	additional hours for existing staff, NALC or short-term recruitment.	
	Task specific training needed.	L	Training resources and budget available. Any new risks identified considered immediately. Safety guide issued.	Ongoing review
	Compliance with employment law.	L	Carried out as and when identified.	Ongoing via appraisal
	Working out of the office.	L	Guidance offered by NALC, County Council and ACAS.	
		L	The office board must be marked up re whereabouts and estimated time of return. Staff have mobile phones. Guidelines in place in addition to difficult situations.	Office staff monitor
<b>ASSET AND ENVIRONMENTAL MANAGEMENT</b>				
Assets	Loss or damage	L	Annual review of assets undertaken. Current programme is identified on a weekly monitoring	Inspections undertaken as well as adequacy of such

	Risk of damage or injury to third parties.		chart which shows all assets are covered in a balanced/necessary frequency. Third party organisations are used on a weekly/annual basis. There is a feature on the web site for problems to be identified. Signs are added to assets to show the provider of the asset.	at regular project meetings.
Asset Management	Premises or other assets being closed or unavailable for use by the Council or community due to poor or dangerous condition.	<b>L</b>	An asset plan has been produced and reserves in place such that assets can be replaced at the end of their natural life. Play areas are refurbished on an approx. 20-year basis.  Repairs to assets are more or less immediately.  Council offices rented and in a building shared with the landlord.  CCTV in various locations throughout the town to help ensure safeguarding of assets and for public safety etc.	Asset management inventory and plan.
Recreation Areas  Management of Allotment Sites	Services provided by the Associations not in	<b>L</b>		Officers programme review work.

	<p>accordance with the agreement</p> <p>MUGA Play Areas x 17</p>	<b>L</b>	<p>Regular monitoring takes place. Detailed and specific checklists are maintained for each site.</p> <p>Council staff as well as County Council staff along with an external company to carry out an independent assessment of play areas on an annual basis. Individual/specific assessment sheets are used for each.</p>	<p>Officers carrying out inspections are adequately qualified and their certificates are updated in accordance with statutory review period.</p>
Notice Boards	<p>Risk of damage or injury to third parties. Location suitability.</p>	<b>L</b>	<p>Notice board located at Market Place and 2 at Newsham. All covered by insurance policy.</p>	<p>Adequate inspections undertaken by both Officers and Councillors.</p>
Trees	<p>Trees or branches posing a safety problem to the public where unrestrictive right of access available.</p>	<b>L</b>	<p>Currently the Council only have trees on their land i.e. certain allotment sites, or bordering land they maintain. Generally any trees within the Town, on highways or public space, are the responsibility of the County Council. Previously a quarterly inspection of trees. Trained Officers from the County Council involved regarding expertise as required for problem areas.</p>	<p>Ongoing review.</p>

			Should the Council receive communication on this matter then this would be forwarded to NCC to discuss/receive guidance next steps.	
<b>GOVERNANCE AND LEGAL MATTERS</b>				
Standing Orders	Breach of Standing Orders	<p><b>L</b></p> <p><b>L</b></p>	<p>Standing Orders are formally adopted and all Council Members are issued with a copy</p> <p>Where it is considered that Standing Orders have been breached, written advice is sought and presented to Council. If any breach is proven, then Council decisions taken will be revisited and subject to review.</p>	<p>Regular review of Standing Orders.</p> <p>Additional training or whatever else is agreed that is needed.</p> <p>The Council’s Standing Orders follow the model recommended by NALC.</p>
Legal Powers	Illegal activity or decision making.	<b>L</b>	<p>All decisions within the powers of the Council to be either resolved and minuted at Council meetings or in line with governance arrangements.</p> <p>Clerk to ensure appropriate powers are available.</p>	Decision made forms part of the minutes.



<p>Member Conduct</p>	<p>Members fail to behave in accordance with Code of Conduct</p>	<p><b>L</b></p> <p><b>L</b></p> <p><b>L</b></p> <p><b>L</b></p>	<p>The Code of Conduct is adopted by the Council at the Annual Meeting each year, all members are provided with a copy.</p> <p>Council members can attend training on Code of Conduct and Behaviour in Public Office.</p> <p>All Council members sign a declaration of office which includes the Code of Conduct.</p> <p>Council members and members of the public are advised that Code of Conduct complaints should be made to the Monitoring Officer (Northumberland County Council). As a result, sanctions for any failure to comply with the Code of Conduct are independently determined.</p>	<p>Councillors reminded of their responsibility both on the agenda and at the start of each meeting.</p> <p>Any good practice guides or policies received from NALC are immediately circulated to members and where appropriate these documents are put up to Council for adoption.</p>
<p>Members Interests</p>	<p>Conflict of Interests and Register of Interests.</p>	<p><b>L</b></p>	<p>Standing Orders require declaration of interests at each Council meeting by members. Register of Members Interest in the public domain and should be reviewed regularly by Councillors.</p>	<p>Existing procedures are adequate. Members reminded to review their entry.</p>

			Clerk responsible for ensuring new Councillors register their interests.	
Agendas, minutes and significant reports	Accuracy and legal	<b>L</b>	<p>Officer reports have a minimum of 1 other officer in the vetting process after the author.</p> <p>Minutes and agenda are produced by the Clerk to defined standards and adhere to legal requirements. Minutes are drafted as soon as possible after each meeting by the Committee Clerk. These are checked by the Town and/or Deputy Clerk before being sent to the Chair responsible for that committee/Council. Once approved these would be forwarded to all members and approved and signed at the next Council/Committee meeting.</p> <p>Minutes and agenda are displayed according to the legal requirements as a minimum. Council meetings managed by a Chair. Council decisions are disseminated for officers and report back as to progress at the next meeting.</p>	Annual review of adequacy.



Safety of staff, councillors and visitors	Unsafe building and surroundings	<b>L</b>	The staff mainly work in offices on the first floor of a 3-floor building. External access as well as to the offices is by a key fob. CCTV is in place and a fire exit is at the rear of the general office. A signing in procedure is in place. A policy is in place to ensure a minimum of 2 staff are in the office, there can be lone working subject to adherence to the lone working policy.	Health and safety policy reviewed annually as a minimum.
Poor reputation of the Council	The work of the Council is not understood leading to negative feedback from parishioners and dissatisfaction with the way services are carried out.	<b>L</b>  <b>L</b>	Regular use of communication channels including website and newsletters to explain the Council’s activities. Use of social media. All documents used for this purpose are independently checked prior to issue.  Public and press welcome to attend Council meetings. All decisions taken in public domain and reported transparently without bias. Except for items of a private and confidential nature.	Ongoing review and feedback.  Expected practice.

		<p><b>L</b></p>	<p>Adoption of a social media and Email policy.</p>	<p>Council members encouraged to share official Town Council posts rather than individual posts or comments regarding Council decisions. Where individual posts are made/intended to be made and where there is doubt about the content advice should be taken from officers. In addition, where a post is made and it comes the attention that the post is factually incorrect then this shall be corrected as soon as it is pointed out to the individual member.</p>
		<p><b>M</b></p>	<p>Where controversial or contentious decisions are taken, Town Clerk as directed to issue PR as a matter of priority.</p>	<p>Council members to inform Town Clerk of any negativity on social media and for</p>

		<b>L</b>	Seek to foster good working relationships with local reporters.	any suitable response be formulated.  Council employ external company with experience in the media.
Poor stakeholder relationships	Perceived or real breakdown in communications between tiers of Local Government or between the Council and other public providers.	<b>L</b>	Council to understand the services provided by others and to discuss areas of joint interest periodically. The Council to respond to consultations to put its point of view across adequately.	Ongoing review and feedback.
Partnership Agreement with Northumberland County Council	Failure to deliver the requirements of the agreement.	<b>L</b>	Weekly/monthly monitoring in place by both Councils at office/member level.	Regular review process. Partnership Working Group and Partnership Board are in place and meet on a regular basis. Any outputs are reported to all members through the Environment Committee and Council.

Lack of vision	An over-emphasis on the management and operation of Council services may lead to a poor performance with regard to forward planning which may prevent partnerships being formed with other public and private supplier or even the loss of grants.	<b>M</b>	The Council to review its Plan and stance on planning proposals and to proactively develop a Neighbourhood type Plan so that a vision of the future is always available. Involvement in appropriate groups to both promote and improve the Town in line with the Council’s objectives e.g. the Town Forum. Plan reviewed regularly and community engagement for feedback.	Review regularly and underway.
Lack of training or time to undertake the role of the Council	Inadequate knowledge or specialist ability may lead to poor decisions.	<b>L</b>	Adequate training budget available. Encourage training for Councillors and staff.	Maintain a training record and review annually. Staff appraisal.
Data Protection	General Data Protection Data protection rules not followed.	<b>L</b>	Town Clerk registered for data protection and reviewed annually. Governance Committee receive update reports as and when necessary.	General Data Protection Regulations followed and updated as required. Updates notified through NALC and ICO.
Freedom of Information	Policy availability	<b>L</b>	FoI Policy available in the public domain. Policy reviewed annually.	Information reports produced prior to the Governance committee.