

HTS (Property Environment) Ltd Strategic Risk Register

Appendix A

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|-------------------------|----------------|---------------|-------|----------|-------|--------------|----|
| Likelihood | Almost Certain | 5 | 11 | 16 | 20 | 23 | 26 |
| | Likely | 4 | 7 | 12 | 17 | 21 | 24 |
| | Moderate | 3 | 4 | 8 | 13 | 18 | 22 |
| | Unlikely | 2 | 2 | 5 | 9 | 14 | 19 |
| | Rare | 1 | 1 | 3 | 6 | 10 | 15 |
| Risk Rate Matrix | | 1 | 2 | 3 | 4 | 5 | |
| | | Insignificant | Minor | Moderate | Major | Catastrophic | |
| | | Impact | | | | | |

| Objective | Risk Name | Risk | Background | Likelihood | Impact | Risk Owner | Inherent Risk Score | | | Controls already in place | Residual Risk Score | | | Foreseeable Risk Score | | | Additional actions to mitigate risk (4Ts) | Target Date |
|-------------------------|---|--|--|---|---|-----------------------------------|---------------------|--------|-------|---|---------------------|--------|-------|------------------------|--------|-------|--|----------------|
| | | | | | | | Likelihood | Impact | Score | | Likelihood | Impact | Score | Likelihood | Impact | Score | | |
| Financial Performance | CR01 - Financial Sustainability | If a sustainable budget is not secured, then HTS will lack financial resilience | HTS has been set up as a LATC, wholly owned by HDC with a five year contract in place. ASC budgets were set with JVCo baseline 2015/2016 and need to be managed going forward to maintain financial sustainability of the company. | Job priorities may impact on KPI achievement, management of client expectations, efficiencies, management of employee sickness, maintenance and replacement of assets, paycales alignment | Pension, failure of KPIs, penalties from HDC, external market wage rates pressures, service delivery | Alex Morris, Finance Director | 3 | 4 | 18 | change notice, job variation meetings, budget monitoring, Joint Performance meetings, JPRM, Management Account meetings, quarterly reviews, cash flow, VCR meetings, auditing of accounts, forward planning on replacement of assets (5 year plan) | 2 | 4 | 14 | 2 | 4 | 14 | callsys interface with orchard to manage job ticket priorities, move to schedule V7 of NHF from 01/04/18, | Annual review |
| Business Growth | CR02 - Business Sustainability | If the business does not develop and grow, then it will stagnate and ultimately fail | HTS needs to grow business beyond its existing HDC contract in order to develop and survive and meet employee and shareholder expectations for future opportunities | Perception of environmental performance by HDC versus contracted performance, KPI measurement and analysis, delayed capital works, failure to award additional capital works, ability to secure third party works and deliver at profit, capacity to deliver third party services | reputation, bottom line, morale, negative employee culture, productivity and service delivery, business growth, loss of key employees, inability to win new third party contracts, loss of existing third party contracts | Neil Rowland, Commercial Director | 4 | 4 | 21 | Joint Performance Meetings, JPRM, quarterly reviews, balanced scorecard reviews, KPI reviews, weekly performance and productivity reviews, vehicle tracking monitoring, opportunities register, joint board/member meetings, tenant and leaseholder engagement, accreditations | 3 | 4 | 18 | 2 | 4 | 14 | opportunities register, GIS mapping and route optimisation, innovations, marketing materials and presentations and case studies of efficiencies already achieved | Annual review |
| Operational Performance | CR03 - Operational Delivery | If HTS fails to deliver services on a consistent satisfactory basis, then the business may receive negative perception leading to failure to maintain and extend contracts | Inheritance of an ageing workforce may result in loss of local knowledge and expertise when they leave. HTS requires to resource existing and future employees along with external supplychain to ensure continuous satisfactory delivery of services and third party contracts | Government legislation changes, statutory regulations changes, KPI measurement and analysis, capacity to deliver third party services, resourcing against peaks and troughs and specialist trades, client expectations, perception vs actual performance, budget and seasonal variations, ageing workforce, incentivisation for employees | reputation, bottom line, morale, employee opportunities, morale, negative employee culture, productivity and service delivery, business growth, loss of key employees, KPI penalties | Steve Ward, Operations Director | 2 | 4 | 14 | Joint Performance Meetings, JPRM, quarterly reviews, balanced scorecard reviews, KPI reviews, weekly performance and productivity reviews, vehicle tracking monitoring, change notices, tenant and leaseholder engagement, accreditations, ASC meetings, subcontractor and agency budget monitoring, efficient processes investment, Business Continuity Plan | 2 | 4 | 14 | 2 | 4 | 14 | compliance software, additional employee training, succession planning, continual training and development, apprenticeships, work experience employees, paycales reviews and alignment | Annual Review |
| Culture | CR04 - Employee Engagement | If HTS fail to engage it workforce, then there are consequences to delivery and success of the business | An engaged and happy workforce is a productive and effective workforce Proudly Serving Harlow/ reflecting the HTS brand. | morale, incentivisation and engagement of workforce, training budgets and resource, quality of external candidates, salary packages, pension/pay flexibility, terms and Conditions of employment | VFM review in year 3, morale, lack of workforce engagement, reduced productivity, accidents, poor attendance, reputation, employee expectations | John Philips, Managing Director | 3 | 4 | 18 | Quarterly employee engagement, monthly union meetings, quarterly staff newsletters, balanced scorecard, staff award scheme, staff discount cards, PPRs, vehicle tracking monitoring, IT investment, asset investment, succession planning, training plans, 1-2-1s and Team meetings, Living Wage employer | 3 | 4 | 18 | 2 | 4 | 14 | employee satisfaction surveys, incentivisation schemes, employee conference and awards, succession plan, flexible working and retirement, future pay reviews, equal pay | Annual Review |
| Compliance | CR05 - Information Governance and Data Compliance | If HTS does not adopt holistic and robust response to data information and governance, then it may be unable to demonstrate statutory compliance. | An Information Governance Framework is required to ensure information is dealt with efficiently, effectively and in compliance with statutory provisions and regulations. The General Data Protection Regulations (GDPR) applies from 25 may 2018, replacing the Data Protection Act 1998, imposing a much tougher data protection regulatory framework. Also on the horizon is Electronic Data Protection Regulation (EDPR) | GDPR requirement to notify breaches within 72 hours. Changes to Subject Access Requests (SARS). It is necessary to evidence compliance in all areas of GDPR. There are changes to the way consent is obtained and individual's rights over data held about them. | Breach and non-compliance carries risk of enforcement action and increased financial penalties from the Information Commissioners Office (ICO). Reputation would suffer. | Alex Morris, Finance Director | 4 | 4 | 21 | Data Protection Security Policy HR02, IT's Information Security policy, password protection on PDAs. HR, Payroll and Communications: Individual A/C password protection Software password protection e.g. Sage HR & Payroll Document password protection where appropriate Secure office(S) Personal information scanned to secure, individual electronic files | 4 | 4 | 21 | 4 | 4 | 21 | GDPR project required to link to HDC GDPR project. Electronic Database identification required along with establishment of corporate Information Asset Register. Awareness campaign and training with employees. Resolve DPO appointment and possible conflict of interest. Data Impact Assessments required. Cyber Security policy. Paper/Electronic Data clean-up. | Monthly Review |