

HTS (Property Environment) Ltd Strategic Risk Register

Impact	Catastrophic (5)	5	10	15	20	25
	Major (4)	4	8	12	16	20
	Moderate (3)	3	6	9	12	15
	Minor (2)	2	4	6	8	10
	Insignificant (1)	1	2	3	4	5
	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)	
Likelihood						

Appendix A

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	SR01 - 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. As part of agreement with Unions following strike action, it was agreed to undertake job evaluations.	Job priorities may impact on KPI achievement, management of client expectations, efficiencies, management of employee sickness, maintenance and replacement of assets, payscales alignment and re-assessment for job evaluations. HDC's income limited by CPI index restricting HTS annual revenue increases	Pension, failure of KPIs, penalties from HDC, external market wage rates pressures, service delivery, increasing salaries, living wage increases.	Head of Finance	3	4	12	Change notice, job variation meetings, budget monitoring and cost control measures, Management Account meetings, quarterly reviews, cash flow, VCR meetings, auditing of accounts, forward planning on replacement of assets (5 year plan)	2	4	8	2	4	8	Interface with orchard to manage job ticket priorities. Interfaces occur at when job is raised, complete and invoiced. Review of payment mechanism.	Annual review
Financial Performance	SR02 - Environmental impacts	Due to climate change and unpredictable environment, the demand for services is variable in different seasons.	Demand for services is increasing with less funding to provide them. Lack of investment in housing stock and no firm plan for Environmental Sustainability.	The climate is becoming more unstable which results in an increase in certain workstreams, for example roofing works due to the heavy downpours. Storms causing fencing to fail and trees and branches to fall down. It is likely that funding will not match.	Quality of services is reduced. Potential delays in service and customer satisfaction. KPI's not met. Backlogs created. Lack of funds in ASC.	Managing Director	4	3	12	Effective budget setting processes in place. Providing additional funding to the ASC. Statutory and priority services are identified. Working in collaboration with HDC to agree priorities. Communication with residents. asset management strategy in place by the Council.	3	3	9	2	2	4	Review Specifications with client before works commence	Quarterly review
Business Growth	SR03 - 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	16	Monthly meetings with SMB, Portfolio Holder Meetings, SSC meetings, quarterly reviews, KPI reviews, weekly performance and productivity reviews, vehicle tracking monitoring, opportunities register, joint board/member meetings, tenant and leaseholder engagement, accreditations. Third party works are temporarily on hold to allow focus on backlog reduction and service delivery of main contract.	3	4	12	2	3	6	GIS mapping and route optimisation, innovations, marketing materials and presentations and case studies, IT Field Services Management Software introduction to Environmental Services. The seeking of third party works to be reviewed at a later date	Bi-annual review
Operational Performance	SR04 - Operational Delivery	Failure to deliver services on a consistent satisfactory basis, resulting in negative perception leading to failure to maintain and extend contracts	HTS has an ageing workforce that may result in loss of local knowledge and expertise when they leave. HTS required 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. Unionised workforce threatening industrial action.	Reputation, bottom line, employee opportunities, morale, negative employee culture, productivity and service delivery, business growth, loss of key employees, KPI penalties	Steve Ward, Operations Director	3	4	12	Monthly meetings with SMB, Portfolio Holder Meetings, quarterly 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, Regular Joint Union meetings, Stewards in place within workforce which strengthen communication	2	4	8	2	3	6	Compliance software, additional employee training, succession planning, continual training and development, apprenticeships, work experience employees, job evaluations	Annual Review
Culture	SR05 - Employee Recruitment and retention	The risk that HTS fails to have sufficient staffing capacity or capability to deliver the services to meet the level of demand.	Within the current economic climate, and on the T&C's HTS offer, it is becoming increasingly difficult to recruit skilled employees which could result in a demotivated workforce that is not responsive or productive. Generally the sector is finding it difficult to recruit skilled operatives.	Aligned with existing T&C's it is likely that HTS will struggle to recruit skilled operatives and staff.	Inability to provide services at a normal level. Pressure on remaining staff leading to deterioration in staff moral. Complaints / legal action, reputational damage, additional costs to use subcontractors, Increased WIP, customer dissatisfaction, quality issues, missed KPI's.	Managing Director	4	3	12	Gender pay gap, pay levels pay living wage, staff training programmes and talent development, flexible working policy, LGPS pension scheme.	4	3	12	3	3	9	Now able to recruit on different T&Cs, with a lower pension but a high wage which should attract more applicants.	Bi-annual review

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Culture	SR06 - Employee Engagement & Morale	If HTS fail to engage workforce, there are consequences to morale, delivery and success of the business, along with retention and wellbeing of staff.	An engaged and happy workforce is a productive and effective workforce 'Proudly Serving Harlow' reflecting the HTS brand. The benefits of good practice is linked to the wellbeing and retention of employees. With the recent management changes there is uncertainty within the workforce.	Morale, incentivisation and engagement of workforce, training budgets and resource, quality of external candidates, salary packages, pension/pay flexibility, terms and conditions of employment.	Potential for more strikes, Impact on performance, employee wellbeing, customer dissatisfaction, performance and quality issues, missed KPI's, reputational risk.	Managing Director	4	4	16	Employee engagement incentive schemes, monthly union meetings, staff newsletters, staff award scheme, breakfast club, IT investment, asset investment, succession planning, training plans, Living Wage employer	3	3	9	2	3	6	New IT systems, change management scheme underway, job evaluations, flexible working and retirement, future pay reviews, equal pay	Bi-annual review
IT	SR07 - Cyber Security	The Increased use of technology to manage and share data exposes HTS to cyber risks and threats.	Cyber Security risks are increasing as everybody makes more use of technology as a way of managing sensitive data and business critical functions.	Organised crime, hackers and opportunists are continually looking for weakness to access our sensitive data for a wide range of criminal activities or ransom.	Security of data. Reputation risk. Non-compliance with GDPR. Fraud and extortion risks.	Managing Director	4	4	16	Network security controls. Authenticator in place. Cyber training. Personnel management. Cyber Insurance in place. Regular penetration tests carried out.	3	3	9	3	2	6	Cyber security policy under review. Ongoing employee awareness and training. Disaster recovery review exercise	Quarterly review
Governance	SR08 - Data Management Risk	If HTS does not adopt holistic and robust response to data information and governance, then it may be unable to demonstrate statutory compliance. Unauthorised release of data and non-compliance with GDPR. Personal risk to individuals whose data we hold	General Data Protection Regulations (GDPR) applies and impose a data protection regulatory framework.	HTS holds a significant amount of personal data which we need to protect to ensure company is compliant with GDPR regulations. There is a risk of data breach and data misuse.	Breach and non-compliance carries risk of enforcement action and increased financial penalties from the Information Commissioners Office (ICO). Reputation would suffer.	Shakeel Khan/Tina Roach	4	4	16	Data Protection & Security Policy in place. Privacy Impact Assessments in place (HTS format). Breach log in place (HTS format) and incidents reviewed & closed out. DPO in place and formally appointed. Deputy DPO identified internally. Full training carried out for key staff and toolbox talks provided for all staff.	3	3	9	3	2	6	Cyber security policy is being reviewed. Three fully trained Data Protection Practitioners within the business. Ongoing employee awareness and training required along with poster campaign. Continue discussions and work to align Privacy Impact Assessments and Breach log with Harlow Council format.	Quarterly review
IT	SO09 - IT Platforms	ICT Platforms	If the technology ICT systems / platforms are not appropriate or used to their full effect then we are potentially working inefficiently.	The IT systems are aged and the company has evolved so we are not working efficiently.. Environmental Business has no IT system in place to help manage workflows. Housing system is outdated.	Financial impact. Lack of readily available information, inability to easily share. Time intensive tasks. No audit trail or monitoring process, poor productivity.	Managing Director	3	3	9	Interim IT Director in place to review system. New HR system implemented and working well. Workshops and super users in place to support employees.	3	2	6	2	2	4	Field Management system contract has been awarded with rollout scheduled for the Environmental team starting in November 2023	Monthly Review
Governance	SR010 - Governance	Failure in governance framework, resulting in poor decisions or not complying with the law, policies or procedures (not have correct processes in place).	Framework for governance requires attention and strengthening.	No experienced NED's on the Board to guide the company. No interim or permanent Managing Director in position.	Lack of leadership and industry experience on the Board. Non-compliance with statutory regulations. Finance penalties and poor decisions. Lack of sound and timely decision making due to lack of Leadership	Tina Roach, Company Secretary & Governance Manager	4	4	16	Policy reviews meetings are forward planned. Regular Board Meetings, SSC Meetings. New Non Exec Chair appointed and is in position.	3	3	9	2	2	4	Process being undertaken to amend Articles of Association to allow for the recruitment of industry experienced NED's. Recruitment for interim MD is in progress. Governance Manager in post.	Monthly Review
Business Continuity	SR011 - Business Interruption	Energy crisis	Energy supply shortages or outages and price fluctuations	The cost of energy is increasing and we need to use energy more efficiently.	Outrages resulting in potential system shutdowns.	Managing Director	3	4	12	Temporary generators in place, solar panels to create own energy, develop energy initiatives.	3	2	6	2	2	4	Business Continuity Plans in place	Bi-annual review
Operational Performance	SR012 - Supply Chain	Supply chain	HTS rely on our supply chain, subcontractors and material supplies, across all services to enable us to deliver services to the residents of Harlow.	Global parts and material shortages caused by Brexit, unpredictable demand, rising inflation, a volatile global economy, are all to be considered and likely to impact..	Disruption to operations and processes, delays in completing work, reduced compliance to KPI's, reputational and financial impact.	Neil Rowland, Commercial Director	3	3	9	Working closely with supply chains to identify risks and mitigate them. Additional suppliers are authorised.	3	2	6	2	2	4	Review Specifications with client before works commence	Bi-annual review
Governance	SR013 - Political	Political structure to Shareholder	HTS recognise the Political risk and the probability that political decisions, events or conditions will result in changes to policies and working priorities.	Political control with Shareholder may change and HTS will adjust accordingly.	Review of priorities and resources. Housing and Environmental Policies may change. Output Specification changes.	Managing Director	3	3	9	Working closely with Shareholder and maintain key relationships. Regular Meetings with Portfolio Holders for Environment & Housing.	3	2	6	2	2	4	Agree Long Term plans so HTS can resource and plan services.	Annual review
Operational Performance	SR014 - Financial Control	Lack of financial control impacting on operational services	lack of financial control measures has the potential for a major impact across all services within the business	The pressures of high volume of work and WIP levels could lead to focus on completions without due consideration to the financial impacts	A failure of financial control could lead to a material loss to the business	Head of Finance	5	4	20	The Group has a Delegation of Authority policy in place which governs approval of decisions and transactions. Appropriate segregation of duties is maintained in all finance processes. All payment runs are reviewed by senior directors. Regular updates relating to financial fraud prevention are communicated to finance staff.	3	2	6	2	2	4	Regular budgetary meetings help with Operational leads so spends are known, monitored and considered within each area of the business.	Annual review