

Report of the Deputy Chief Executive

REVIEW OF STRATEGIC RISK REGISTER1. Purpose of report

To recommend approval of amendments to the Strategic Risk Register and the action plans identified to mitigate risks.

2. Detail

Further to earlier reports to this Committee and in accordance with the timescales set out in the Risk Management Strategy approved by this Committee in December 2018, the Strategic Risk Management Group met on 3 February 2021 to review the Strategic Risk Register. General Management Team (GMT) has since considered the proposals from the Strategic Risk Management Group. The objectives of the review were to:

- Identify the extent to which risks included in the Strategic Risk Register are still relevant
- Identify any new risks to be included in the Strategic Risk Register
- Review action plans to mitigate risks.

A summary of the risk management process is included in appendix 1. The Risk Management Strategy includes a '5x5' risk map matrix to assess both the threats and opportunities for each strategic risk in terms of both the likelihood and impact. The risk map is included to assist the understanding of the inherent and residual risk scores allocated to each strategic risk. These scores will be considered further and amended as necessary in due course.

Details of proposed amendments to the Strategic Risk Register and the actions resulting from the process are attached in appendix 2. The revised Strategic Risk Register incorporating the proposed amendments is available on the intranet. Further reviews of the Strategic Risk Register will be reported to future meetings of this Committee.

Recommendation

The Committee is asked to RESOLVE that the amendments to the Strategic Risk Register and the actions to mitigate risks as set out in appendix 2 be approved.

Background papers

Nil

APPENDIX 1**REVIEW OF STRATEGIC RISK REGISTER****Introduction**

The Risk Management Strategy, as revised in December 2018, aims to improve the effectiveness of risk management across the Council. Effective risk management will help to ensure that the Council maximises its opportunities and minimises the impact of the risks it faces, thereby improving its ability to deliver priorities, improve outcomes for residents and mitigating legal action and financial claims against the Council and subsequent damage to its reputation.

The Strategy provides a comprehensive framework and process designed to support both Members and Officers in ensuring that the Council is able to discharge its risk management responsibilities fully. The Strategy outlines the objectives and benefits of managing risk, describes the responsibilities for risk management, and provides an overview of the process that the Council has in place to manage risk successfully. The risk management process outlined within the Strategy should be used to identify and manage all risks to the Council's ability to deliver its priorities. This covers both strategic priorities, operational activities and the delivery of projects or programmes.

The Council defines risk as "the chance of something happening that may have an impact on objectives". A risk is an event or occurrence that would prevent, obstruct or delay the Council from achieving its objectives or failing to capture business opportunities when pursuing its objectives.

Risk Management

Risk management involves adopting a planned and systematic approach to the identification, evaluation and control of those risks which can threaten the objectives, assets, or financial wellbeing of the Council. It is a means of minimising the costs and disruption to the Council caused by undesired events.

Risk management covers the whole range of risks and not just those associated with finance, health and safety and insurance. It can also include risks as diverse as those associated with reputation, environment, technology and breach of confidentiality amongst others. The benefits of successful risk management include:

- Improved service delivery with fewer disruptions, efficient processes and improved controls
- Improved financial performance and value for money with increased achievement of objectives, fewer losses, reduced impact and frequency of critical risks
- Improved corporate governance and compliance systems with fewer legal challenges, robust corporate governance and fewer regulatory visits
- Improved insurance management with lower frequency and value of claims, lower impact of uninsured losses and reduced premiums.

Risk Management Process

The Council's risk management process has five key steps as outlined below.



Process Step	Description
Risk Identification	Identification of risks which could significantly impact the Council's aims and objectives – both strategic and operational.
Risk Analysis	Requires consideration to the identified risks potential consequences and likelihood of occurring. Risks should be scored against the Council's risk matrix
Risk Treatment	Treat; Tolerate; Transfer; Terminate – Identify which solution is best to manage the risk (may be one or a combination of a number of treatments)
Completing the Risk Register	Document the previous steps within the appropriate risk register. Tool for facilitating risk management discussions. Standard template to be utilised to ensure consistent reporting.
Monitoring, reporting and reviewing the risks	Review risks against agreed reporting structure to ensure they remain current and on target with what is expected or manageable.

Risk Matrix

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

Risk Rating	Value	Action
Red Risk	25	Immediate action to prevent serious threat to provision and/or achievement of key services or duties
	15 to 20	Key risks which may potentially affect the provision of key services or duties
Amber Risk	12	Important risks which may potentially affect the provision of key services or duties
	8 to 10	Monitor as necessary being less important but still could have a serious effect on the provision of key services
	5 to 6	Monitor as necessary to ensure risk is properly managed
Green Risk	1 – 4	No strategic action necessary

APPENDIX 2

Strategic Risk Register – Summary of Proposed Changes

Inherent Risk – Gross risk **before** controls and mitigation

Residual Risk – Risk remaining **after** application of controls and mitigating measures

Risk	Inherent Risk	Residual Risk	Changes
<p>1. Failure to maintain effective corporate performance management and implement change management processes</p> <p><i>The position with regards to this risk is unchanged from the previous meeting.</i></p>	20	<p>4</p> 	<p>No changes.</p> <p>It was noted that the Local Government Association (LGA) peer review originally expected to take place in June 2021 would now, take place later in the year as a result of the Covid-19 pandemic.</p>
<p>2. Failure to obtain adequate resources to achieve service objectives</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i></p>	25	<p>16</p> 	<p>No changes.</p> <p>The action point to submit a 'Town Deal' bid for Stapleford in accordance with MHCLG deadlines has been replaced with an action to respond as necessary to the outcome of the bid.</p> <p>An action point to develop Town Investment Plans for Eastwood and Kimberley has been added.</p> <p>The completed actions to assess the implications of the Spending Review 2020 and to respond to the loss of car parking income from Nottinghamshire County Council have been deleted.</p> <p>The timeframe for the Fair Funding Review and accompanying proposals for greater localisation of business rates had been moved back due to other Central Government priorities and were now due to be considered as part of the next Spending Review scheduled to be announced in November 2021. This meant that any significant changes to the Local Government finance system would probably not take place until 2022/23 at the earliest.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>3. Failure to deliver the Housing Revenue Account (HRA) Business Plan</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i></p>	25	<p>9</p> 	<p>New action points have been added:</p> <ul style="list-style-type: none"> • Undertake a consultation exercise on options for developing garage site at Barn Croft in Chilwell. • Evaluate options for the purchase of rented and shared ownership properties on land at Bramcote Crematorium. • Purchase former “right to buy” and other properties in accordance with the available budget and the Acquisitions Policy. <p>An action to consider the results of the public consultation on options for the future of the Fishpond Cottage site in Bramcote has been replaced with an action point to present a planning application for the development of the site for consideration at a future Planning Committee meeting.</p> <p>The action to undertake consultation exercises on options for developing garage sites in Chilwell and Watnall has been replaced with an action to present a planning application for the development of sites at Gayrigg Court, Felton Close, Selside Court and Chilton Drive for consideration at future Planning Committee meeting.</p> <p>The action develop dementia friendly bungalows on the former Beeston Market site has been completed.</p>
<p>4. Failure of strategic leisure initiatives</p> <p><i>The position with regards to this risk is unchanged.</i></p>	25	<p>20</p> 	No changes.
<p>5. Failure of Liberty Leisure (LLL) trading company</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had worsened.</i></p>	25	<p>16</p> 	<p>An action for LLL to work with local GP's and other health partners to develop a proposal for an exercise referral scheme was added.</p> <p>The action to report to Finance and Resources Committee on the anticipated financial performance of LLL in 2020/21 and support required from the Council has been completed.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>6. Failure to complete the re-development of Beeston town centre</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i></p>	25	<p>20</p> 	<p>New action points have been added:</p> <ul style="list-style-type: none"> • Seek approval at Finance and Resources Committee on 11 February 2021 to increase the capital budget for the scheme to enhance the offer to potential food and beverage outlets. • Ensure that appropriate insurance cover is in place for the re-development of Beeston Town Centre and that all related insurance requirements are being complied with. <p>The action to complete the sale of part of the site for residential development has been completed.</p>
<p>7. Not complying with domestic or European legislation</p> <p><i>The position with regards to this risk is unchanged.</i></p>	25	<p>12</p> 	<p>No changes.</p> <p>It was noted that as the United Kingdom had now left the European Union that the action point to react to the impact of any legislative changes arising from this would have increased significance in the short-term.</p>
<p>8. Failure of financial management and/or budgetary control and to implement agreed budget decisions</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i></p>	25	<p>8</p> 	<p>New action points have been added:</p> <ul style="list-style-type: none"> • Present the Internal Audit Plan 2021/22 to the Governance, Audit and Standards Committee on 15 March 2021 for consideration. • Present the external auditor's Broxtowe Audit Strategy Memorandum to the Governance, Audit and Standards Committee on 15 March 2021. <p>An action to review the contracts register to ensure it contains each contract, date of expiry, timeframe for re-tendering and a nominated key contact has been completed.</p>
<p>9. Failure to maximise collection of income due to the Council</p> <p><i>The position with regards to this risk is unchanged.</i></p>	20	<p>12</p> 	<p>The action point to undertake a procurement exercise for bill payment services has been replaced with an action to present a report to Finance and Resources Committee on 30 March 2021 with proposals to enhance bill payment services.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>10. Failure of key ICT systems</p> <p><i>The position with regards to this risk is unchanged.</i></p>	25	<p>10</p> 	<p>Virtual private network (VPN) issues that prevented a number of users from accessing Council systems along with the slow response times being experienced by users were noted.</p> <p>The action point to present a review of the ICT Strategy 2017-2021 to Policy and Performance Committee on 2 December 2020 has been updated with an action to present a new ICT Strategy to Policy and Performance Committee in 2021.</p>
<p>11. Failure to implement Private Sector Housing Strategy in accordance with Government and Council expectations</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i></p>	20	<p>4</p> 	<p>The actions point for the Jobs and Economy Committee to consider whether to confirm an Article 4 Direction restricting permitted development rights for changes of use of houses of multiple occupation (HMOs) in parts of Beeston has been deleted along with the completed action to introduce a Civil Penalties Policy for Private Sector Housing.</p>
<p>12. Failure to engage with partners/community to implement the Broxtowe Borough Partnership Statement of Common Purpose</p> <p><i>The position with regards to this risk is unchanged</i></p>	15	<p>4</p> 	<p>No changes.</p> <p>It was noted that the Statement of Common Purpose had recently been reviewed by the Broxtowe Borough Partnership.</p>
<p>13. Failure to contribute effectively to dealing with crime and disorder</p> <p><i>The position with regards to this risk is unchanged</i></p>	15	<p>3</p> 	<p>The completed action to provide an update on the Anti-Social Behaviour Action Plan to the Community Safety Committee on 10 November 2020 was deleted.</p>
<p>14. Failure to provide housing in accordance with the Local Development Framework</p> <p><i>The position with regards to this risk is unchanged</i></p>	20	<p>12</p> 	<p>The action to provide an update to Policy and Performance Committee on the East Midlands Development Corporation has been replaced with an action to provide a further update to full Council on 3 March 2021.</p> <p>An action to respond to the Government "Planning for the Future" consultation on proposed changes to the planning system was completed.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>15. Natural disaster or deliberate act, which affects major part of the Authority</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i></p>	15	12 	<p>An action to provide appropriate communications to local residents on the Covid-19 vaccination programme was added.</p> <p>An action to prepare for a potential second wave of coronavirus over the winter months was deleted.</p>
<p>16. Failure to mitigate the impact of the Government's welfare reform agenda</p> <p><i>The position with regards to this risk is unchanged</i></p>	20	6 	<p>An action to present the Local Council Tax Support Scheme 2021/22 to Finance and Resources Committee on 7 January 2021 for approval was completed.</p>
<p>17. Failure to maximise opportunities and to recognise the risks in shared services arrangements</p> <p><i>The position with regards to this risk is unchanged</i></p>	20	9 	<p>An action to present a review of closed circuit television (CCTV) cameras to the Community Safety Committee on 4 March 2021 was added.</p>
<p>18. Corporate and/or political leadership adversely impacting upon service delivery</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i></p>	20	8 	<p>An action to assess any implications from the outcome of the Nottinghamshire County Council and Police and Crime Commissioner elections on 6 May 2021 was added.</p>
<p>19. High levels of sickness</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i></p>	16	6 	<p>The Mental Health Champions Group was added as a key control.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>20. Inability to recruit and retain staff with required skills and expertise to meet increasing demands and expectations.</p> <p><i>The position with regards to this risk is unchanged</i></p>	20	<p>12</p> 	<p>An action point to present a report on succession planning to Personnel Committee was amended to refer to a revised date of 23 March 2021.</p> <p>An action point to present a review of the Annual Performance Appraisals process to Personnel Committee was amended to refer to a future Personnel Committee.</p> <p>The action point to present a Market Premium Policy for consideration and approval to Personnel Committee was amended to refer to a revised date of 23 March 2021.</p> <p>A new action to present a progress update on the Organisation Strategy to Personnel Committee on 23 March 2021 was added.</p>
<p>21. Failure to comply with duty as a service provider and employer to groups such as children, the elderly, vulnerable adults etc.</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i></p>	20	<p>6</p> 	<p>The Children and Young People Action Plan was added as a key control.</p> <p>Actions to provide updates on the Safeguarding Children and Adults Policies to the Community Safety Committee on 12 November 2020 and to take a Welfare Funerals Policy to the Environment and Climate Change Committee for consideration and approval were both completed.</p>
<p>22. Unauthorised access of data</p> <p><i>The position with regards to this risk is unchanged</i></p>	20	<p>6</p> 	No changes.
<p>23. High volumes of employee or client fraud</p> <p><i>Although the residual risk score does not need to change, it was considered that the position with regards to this risk had improved.</i></p>	20	<p>9</p> 	No Changes

Further Details

The following items are highlighted for the attention of Members.

1. Elections

The Nottinghamshire County Council and Police and Crime Commissioner elections scheduled to take place on Thursday 6 May 2021 will, as a consequence of the Covid-19 pandemic, need to be planned and delivered in such a manner as to provide a safe environment for voters and those administering both the vote and the count. Risk assessments of the venues being used will be required along with effective communication of various safety measures that are to be put in place.

2. Climate Change

The Council on 17 July 2019 resolved that a “climate emergency” be declared whilst the Corporate Plan 2020-2024 has protecting the environment for the future as one of its priorities with an objective to develop plans to reduce the Borough’s carbon emissions to net zero by 2027 and start implementing them.

It was agreed that climate change be considered further at the next meeting of the Strategic Risk Management Group with a view to establishing a specific risk for this within the strategic risk register with a risk owner, inherent and residual risk scores, key controls, risk indicators and action points.

3. Social Housing White Paper

Whilst there is an action point under Strategic Risk 3 (Failure to deliver the Housing Revenue Account Business Plan) to assess any potential implications from the Social Housing White Paper published in November 2020, it was noted the consequences for local authorities like Broxtowe with their own housing stock were potentially far-reaching. It is envisaged that further reports on this will be presented to the Housing Committee in due course.