

## Report of the Deputy Chief Executive

**REVIEW OF STRATEGIC RISK REGISTER**1. Purpose of report

To approve the amendments to the Strategic Risk Register and the action plans identified to mitigate risks.

2. Detail

In accordance with the corporate Risk Management Strategy, the Strategic Risk Management Group met on 4 August 2021 to review the Strategic Risk Register. General Management Team (GMT) has since considered the proposals from the Group. The objectives of the review were to:

- Identify the extent to which risks included in the Register are still relevant
- Identify any new strategic risks to be included in the 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**

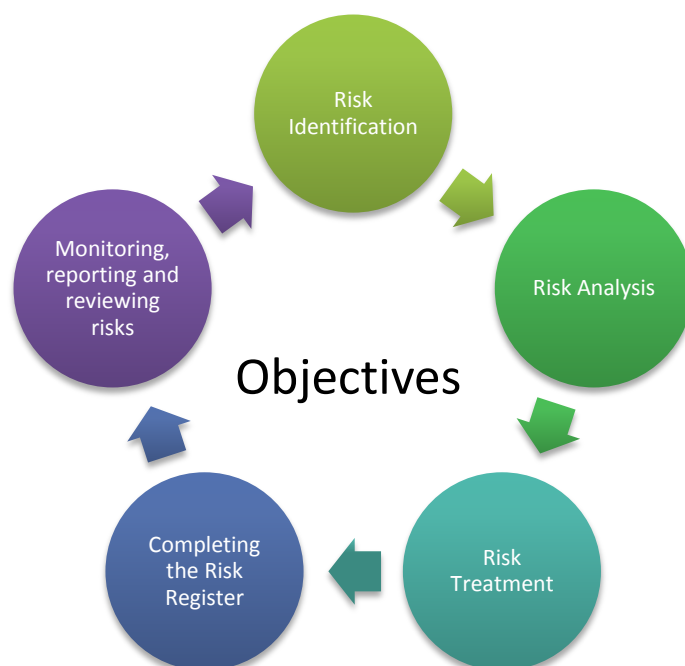
Risk management involves adopting a planned and systematic approach to the identification, evaluation and control of those risks which can threaten the objectives, assets, or financial wellbeing of the Council. It is a means of minimising the costs and disruption to the Council caused by undesired events.

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

**Risk Matrix**

		Risk – Threats				
<b>Likelihood</b>	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
		<b>Impact</b>				



Risk Rating	Value	Action
<b>Red Risk</b>	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
<b>Amber Risk</b>	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
<b>Green Risk</b>	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 <b>unchanged</b> from the previous meeting.</i></p>	20	<p>4</p> <p> Green</p>	<p>A new action was added to reflect an outcome of the recent employee survey to focus on making sure corporate change is managed effectively.</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 <b>improved</b>.</i></p>	25	<p>16</p> <p> Red</p>	<p>A new action point was added to retender the gas supply contract by March 2022.</p> <p>An action point was updated to negotiate final terms for the tram compensation claim against Nottingham City Council.</p> <p>The action to fully utilise the available 'Reopening the High Streets Safely' funding was updated to refer to exploring the possibilities of accessing and utilising any funding available from the 'Welcome Back Fund'.</p> <p>The group noted the progress made with the Town Deal for Stapleford and the Levelling Up Fund bids for Eastwood and Kimberley. The availability of staff resources within the Economic Development team to support the respective business cases was acknowledged as being a potential risk to the delivery of these significant schemes.</p>





Risk	Inherent Risk	Residual Risk	Changes
<p>3. Failure to deliver the Housing Revenue Account (HRA) Business Plan</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	25	<p>9</p>  <p>Amber</p>	<p>The four actions specifically linked to the development of the Housing Delivery Plan Phase 1 sites were amalgamated into one strategic action to develop the Housing Delivery Plan Phase 1 sites; seek the appropriate member resolution to progress schemes; and for progress to be monitored by the Housing Delivery Group.</p> <p>An action was updated to seeking political approval for the purchase and development of rented and shared ownership properties on land at Bramcote Crematorium.</p>
<p>4. Failure of strategic leisure initiatives</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	25	<p>20</p>  <p>Red</p>	<p>Developments regarding strategic leisure provision and potential links into the 'Levelling Up Fund' in the north of the Borough were noted.</p> <p>The action to review the exit clauses in joint use agreements has been superseded by an action to negotiate the terms of the exit agreement with the Kimberley School following the termination of the joint-use agreement for Kimberley Leisure Centre.</p>
<p>5. Failure of Liberty Leisure (LLL) trading company</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	25	<p>16</p>  <p>Red</p>	<p>The action point to maximise financial support towards staff costs from the Coronavirus Job Retention Scheme and Job Support Scheme was deleted.</p>
<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 <b>improved</b>.</i></p>	25	<p>12</p>  <p>Amber</p>	<p>The action to agree heads of terms with food and beverage operators was updated with an action to finalise lease terms with food and beverage operators.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>7. Not complying with domestic or European legislation</p> <p><b><i>The residual risk score has been revised after it was considered that the position with regards to this risk had improved.</i></b></p>	25	<p><b>9</b></p>  <p><b>Amber</b></p>	<p>No changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p> <p><b>Given that the UK has now left the European Union and that matters relating to the impact of legislative changes arising from this are being adequately managed through existing key control mechanisms, it was agreed that the residual risk score be reduced from 12 to 9.</b></p>
<p>8. Failure of financial management and/or budgetary control and to implement agreed budget decisions</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	25	<p><b>8</b></p>  <p><b>Amber</b></p>	<p>The action to provide a report on the Council's status as a going concern to the Governance, Audit and Standards Committee on 19 July 2021 was 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 <b>unchanged</b>.</i></p>	20	<p><b>12</b></p>  <p><b>Amber</b></p>	<p>The action to recommence debt recovery activity following the temporary suspension in response to the coronavirus outbreak was deleted.</p> <p>Two new actions were added to develop new partnership working arrangements for Property Inspectors utilised to identify business premises for rating purposes and to refresh the Corporate Debt Policy for approval by Policy and Performance Committee in October 2021.</p>
<p>10. Failure of key ICT systems</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 <b>improved</b>.</i></p>	25	<p><b>10</b></p>  <p><b>Amber</b></p>	<p>The group noted positive outcomes of recent cyber risk and security reviews, including one undertaken by Internal Audit. There will be regular and increased communications with employees and members regarding the need to be vigilant to cyber security risks.</p> <p>An action was added to complete the relocation of the Backup Server from the Council Offices to Kimberley Depot by April 2022.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>11. Failure to implement Private Sector Housing Strategy in accordance with Government and Council expectations</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	20	<p>4</p>  <p>Green</p>	<p>An action point was added to identify a delivery mechanism for the Green Homes Grant (LAD Phase 3 and HUG funding) for energy efficiency works in private sector housing stock.</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 <b>unchanged</b>.</i></p>	15	<p>4</p>  <p>Green</p>	<p>No changes were proposed to the key controls, risk indicators and actions.</p>
<p>13. Failure to contribute effectively to dealing with crime and disorder</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	15	<p>3</p>  <p>Green</p>	<p>New key controls were proposed including the Enforcement Policy; Neighbourhood Safeguarding and Disruption Meetings; Local Police Priority Setting Meetings; Organised Crime Groups Management Meetings; and High Risk Violence and Exploitation Panels.</p> <p>The action to support Nottinghamshire County Council 'Family Service' team was deleted as this team no longer operates from the Council Offices or attends locality meetings.</p> <p>New actions were added to work in partnership to prevent Crime and ASB through education in schools; work in partnership to support young people involved in crime to change; and work in partnership to disrupt the activities of Serious Organised Crime Groups.</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 <b>unchanged</b>.</i></p>	20	<p>12</p>  <p>Amber</p>	<p>The action to optimise resources received from Homes England was updated to joining an investment partnership to be able to access and optimise Homes England funding.</p> <p>The action to respond as necessary to the outcome of the referendum on the Awsworth Neighbourhood Plan 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>The position with regards to this risk is <b>unchanged</b></i></p>	15	<p>12</p> <p> Amber</p>	<p>The Risk Owners were updated to the Executive Director and Health and Safety Manager.</p> <p>The action to utilise external funding received for Covid-19 related enforcement and compliance activity such as the use of Covid Marshals was completed.</p>
<p>16. Failure to mitigate the impact of the Government's welfare reform agenda</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 <b>worsened</b>.</i></p>	20	<p>6</p> <p> Amber</p>	<p>The action to implement the Welfare Reform Action Plan was deleted.</p> <p>A new action has been added to response to the significant reduction in Discretionary Housing Payment (DHP) funding.</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 <b>unchanged</b></i></p>	20	<p>9</p> <p> Amber</p>	<p>A new action was added to optimise the benefits of refocusing Estates Management activity following the termination of the shared services agreement with Ashfield.</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 <b>improved</b>.</i></p>	20	<p>8</p> <p> Amber</p>	<p>The action point to assess any implications from the outcome of the Nottinghamshire County Council and Police and Crime Commissioner elections on 6 May 2021 was deleted.</p>
<p>19. High levels of sickness</p> <p><i>The position with regards to this risk is <b>unchanged</b></i></p>	16	<p>6</p> <p> Amber</p>	<p>A new action was added to utilise the intelligence obtained from the recent Employee Survey, in particular linked to the improvement areas identified to help employees find a good work/life balance and to ensure that employees feel comfortable disclosing mental health issues.</p>

Risk	Inherent Risk	Residual Risk	Changes
20. Inability to recruit and retain staff with required skills and expertise to meet increasing demands and expectations.  <i>The position with regards to this risk is <b>unchanged</b></i>	20	12  <b>Amber</b>	The actions to present a Market Premium Policy for consideration and approval to Personnel Committee and to present a progress update on the Organisation Strategy to Personnel Committee were completed.  An action was updated to promote the salary sacrifice car lease scheme.  A further action was updated to implement the action plan in response to the employee survey.
21. Failure to comply with duty as a service provider and employer to groups such as children, the elderly, vulnerable adults etc.  <i>The position with regards to this risk is <b>unchanged</b></i>	20	6  <b>Amber</b>	The Nottinghamshire Safeguarding Hub (MASH); Neighbourhood Safeguarding and Disruption Meetings; High Risk Violence and Exploitation Panels; Suicide Procedure; and Channel Panel Meetings were added as key controls.  A new action was added to report safeguarding data to the relevant Committee.
22. Unauthorised access of data  <i>The position with regards to this risk is <b>unchanged</b></i>	20	6  <b>Amber</b>	The action point to provide a facility to add a classification on all outbound emails was updated to refer to maintaining a facility for users to add a classification on all outbound emails.
23. High volumes of employee or client fraud  <i>The position with regards to this risk is <b>unchanged</b></i>	20	9  <b>Amber</b>	The action point to report on the framework of safeguards, key controls and fraud checks in respect of Covid-19 business support grants to the Governance, Audit and Standards Committee on 17 May 2021 was completed.