

Report of the Interim 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, the Strategic Risk Management Group met on 8 August 2018 to review the Strategic Risk Register. The 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.

Details of proposed amendments to the Strategic Risk Register and action plans resulting from the above process are attached in the appendix. A risk map is also included in the appendix to assist the understanding of scores allocated to risks within the Strategic Risk Register.

A revised copy of the Strategic Risk Register incorporating the proposed amendments is available on the intranet. Details of 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 action plans to mitigate risks as set out in the appendix be approved.

Background papers

Nil

APPENDIX

Risk Map

High	<u>Important risks</u> - which may potentially affect the provision of key services or duties <div>6</div>	<u>Key risks</u> - which may potentially affect the provision of key services or duties <div>7</div>	<u>Immediate action</u> - to prevent serious threat to provision and/or achievement of key services or duties <div>9</div>
	<u>Monitor as necessary</u> - less important but still could have a serious effect on the provision of key services or duties <div>3</div>	<u>Monitor as necessary</u> - less important but still could have a serious effect on the provision of key services or duties <div>5</div>	<u>Key risks</u> - which may potentially affect the provision of key services or duties <div>8</div>
Low	<u>No action necessary</u> <div>1</div>	<u>Monitor as necessary</u> - ensure being properly managed <div>2</div>	<u>Monitor as necessary</u> - less important but still could have a serious effect on the provision of key services or duties <div>4</div>
	Low	Likelihood	High

Summary of proposed amendments to strategic risks and action plans

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

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

STRATEGIC RISK REGISTERList of risks in order of significance

Risk	Inherent Risk	Residual Risk	Changes
1. Failure to maintain effective corporate performance management and implement change management processes	9	5	An action is added to present an annual review of the Corporate Plan to the Policy and Performance Committee.
2. Failure to obtain adequate resources to achieve service objectives	9	9	<p>New actions have been added to:</p> <ul style="list-style-type: none"> • Address the areas identified in the Local Government Association review of the Council's finances. • Assess the potential outcome of the Fair Funding Review and the Spending Review 2019 upon the Council's finances. • Evaluate proposals submitted for the future of the Town Hall. • Progress the disposal of the Cavendish Lodge site. • Support the application by Nottinghamshire local authorities to become a business rates retention pilot area from 2019/20. <p>The actions to assess the impact upon the Council of the introduction of the National Living Wage and to adopt a new Economic Regeneration Strategy can be deleted.</p>
3. Failure to deliver the Housing Revenue Account (HRA) Business Plan	9	7	<p>The Garage Management Policy, Right to Buy Policy and Allocations Policy are added as key controls. An action to assess any potential implications from the Social Housing Green Paper has been added.</p> <p>The following actions are completed:</p> <ul style="list-style-type: none"> • Implement the restructure of the Housing Department agreed by Policy & Performance Committee. • Commission an independent review of the Retirement Living Service. • Draft a new Allocations Policy and complete appropriate consultation. • Seek approval for a new Repairs Policy.

Risk	Inherent Risk	Residual Risk	Changes
4. Failure of strategic leisure initiatives	9	9	An action to undertake a detailed property condition survey at Bramcote Leisure Centre has been added. The action to appoint a new Managing Director for Liberty Leisure has been completed.
5. Failure to complete the re-development of Beeston town centre	9	9	No change.
6. Not complying with domestic or European legislation	9	7	The action to assess and address any requirements resulting from the implementation of the General Data Protection Regulations is complete.
7. Failure of financial management and/or budgetary control and to implement agreed budget decisions	9	7	An action to prepare annual accounts in accordance with corporate and legislative timescales including the requirement under the Accounts and Audit Regulations 2015 to complete and publish the final accounts by 31 May and 31 July respectively for the 2017/18 financial year was achieved. This action has now been updated to prepare annual accounts in accordance with corporate and legislative timescales.
8. Failure to maximise collection of income due to the Council	9	7	The action to monitor the impact of the social housing size criteria on council house rent income is deleted.
9. Failure of key ICT systems	9	6	No change.
10. Failure to implement Private Sector Housing Strategy in accordance with Government and Council expectations	9	5	The number of unlicensed Houses in Multiple Occupation (HMOs) requiring mandatory licences has been added as a risk indicator. The results of private sector stock condition surveys and the number of vulnerable people living in non-decent private sector homes can be deleted as risk indicators. An action point to ensure a revised mandatory licensing regime for HMO is properly implemented is added. The action points to seek funding for, and implement, energy saving initiatives and to reduce the number of people living in non-decent private sector homes can be deleted.
11. Failure to engage with partners/community to implement the Broxtowe Sustainable Community Strategy 2010 – 2020	9	5	The Local Enterprise Partnership (LEP) has been deleted as a key control.
12. Failure to implement effective Crime and Disorder	9	5	An action point has been updated to maximise usage of Police and Crime

Risk	Inherent Risk	Residual Risk	Changes
Reduction Strategy			Commissioner funding. The action point to develop and deliver a neighbourhood action plan for Eastwood South is amended to include Stapleford. The actions to develop and deliver a domestic violence and abuse action plan and to implement the ECINS case management and data sharing system for all anti-social behaviour cases referred to Council departments have been deleted.
13. Failure to provide housing in accordance with the Local Development Framework	9	9	The action to establish a Housing Delivery Company has been deleted.
14. Natural disaster or deliberate act, which affects major part of the Authority	9	7	No change.
15. Failure to mitigate the impact of the Government's welfare reform agenda	9	7	Two actions added to utilise the services of Citizens Advice Broxtowe in providing personal budget support for Universal Credit claimants and to host a series of stakeholder workshops before the full rollout of Universal Credit.
16. Failure to maximise opportunities and to recognise the risks in shared services arrangements	9	7	No change.
17. Corporate and/or political leadership adversely impacting upon service delivery	9	7	An action to implement a committee management system is added
18. High levels of sickness	8	7	No change
19. Lack of skills and/or capacity to meet increasing initiatives and expectations.	8	5	No change.
20. Inability to attract or retain key individuals or groups of staff	8	5	No change.
21. Failure to fully utilise investment in ICT infrastructure	7	5	No change.
22. Processes or procedures not followed leading to ill informed decisions and/or abuse of Council facilities	7	5	The Alcohol and Drugs Misuse Policy is added as a key control. The action to assess and address any requirements resulting following the implementation of the General Data Protection Regulations is complete.
23. Failure to comply with duty as a service provider and employer to groups such as children, the elderly,	7	5	The following actions have been added/updated: <ul style="list-style-type: none"> Set up a task and finish group to capture the Council's approach to

Risk	Inherent Risk	Residual Risk	Changes
vulnerable adults etc.			<p>those with mental health issues.</p> <ul style="list-style-type: none"> • Implement the agreed changes following the review of the Retirement Living Service. • Provide a guidance document for staff when dealing with people who threaten suicide. • Implement a care leavers' council tax reduction scheme. <p>The following completed actions can be removed:</p> <ul style="list-style-type: none"> • Audit the provision of training on the recognising and reporting of child abuse and adults at risk. • Produce a Child Poverty Action Plan 2016-19.
24. Failure to ensure appropriate levels of data quality	7	5	No change.
25. Unauthorised access of data	7	5	No change.
26. High volumes of employee or client fraud	6	5	No change.
27. Failure to effectively communicate either externally or internally	5	5	A new action is added to rollout the use of the Broxtowe Communications Toolkit.

Further Details

The following items are highlighted for the attention of Members.

1. Risk Management Policy Statement and Risk Management Strategy

During reviews of the Strategic Risk Register, the continuing validity of the current nine score matrix (3x3) for the Risk Map has been questioned. In some cases the inherent risk score remains at the same level as the residual risk score despite the raft of control measures and mitigating actions that have been put in place. This could, in theory, bring into question the cost and benefits of applying the various controls and mitigating actions.

As the Risk Management Policy Statement and Risk Management Strategy were last updated in June 2016, now would be an appropriate time to review these documents to include consideration of the Risk Map. A number of alternatives are available including the application of a 20 score matrix (5x4) or a 25 score matrix (5x5) for the Risk Map to allow for risks to be more accurately scored. The support and advice of the Council's insurers, Zurich Municipal, is being sought to assist utilising the Risk Management Fund that they maintain for initiatives at the Council. This work will include refreshing the Risk Management Policy Statement and Strategy, providing risk management training to managers and validating or testing business continuity plans.

It is intended that a revised Risk Management Policy Statement and Risk Management Strategy be presented to a forthcoming meeting of the Strategic Risk Management Group. Any feedback received will be incorporated before the documents are presented to the Governance, Audit and Standards Committee for approval.

2. Risk of Failure of Liberty Leisure

The Strategic Risk Management Group agreed that the risk of failure of the Liberty Leisure Trading Company should be regarded as a separate strategic risk in addition to 'Failure of Strategic Leisure Initiatives' (Risk 4). A risk owner, inherent and residual risk scores, key controls, risk indicators and action points have been assigned to the new risk which will be fully considered at the next meeting of the Strategic Risk Management Group.