

## 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. 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.**

3. Detail

In accordance with the corporate Risk Management Strategy, the Strategic Risk Management Group met on 18 May 2022 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.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

There are no direct financial implications that arise from this report. Any future additional budgetary requirements will be considered separately by Cabinet.

5. Legal Implications

The comments from the Head of Legal Services and Deputy Monitoring Officer were as follows:

The Strategic Risk Register is the main mechanism used by the Council to identify, assess and monitor key risks. Whilst there are no direct legal implications arising from this report, it is important to assess whether the risks identified are being effectively mitigated and managed.

6. Human Resources Implications

There were no comments from the Human Resources Manager.

7. Union Comments

There were no Union comments in relation to this report.

8. Data Protection Compliance Implications

There are no Data Protection issues in relation to this report.

9. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

10. 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**

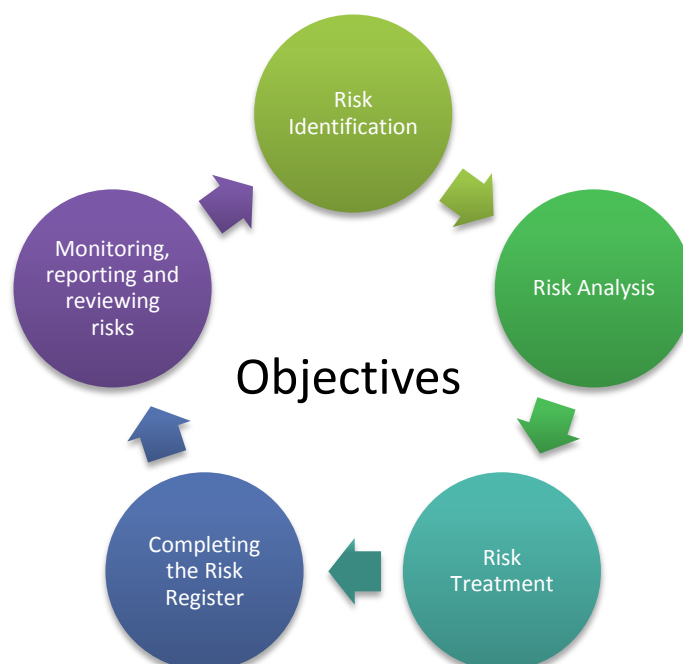
Risk management involves adopting a planned and systematic approach to the identification, evaluation and control of those risks which can threaten the objectives, assets, or financial wellbeing of the Council. It is a means of minimising the costs and disruption to the Council caused by undesired events.

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>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>4</p>  <p>Green</p>	<p>The action to provide summary reports on Corporate Plan progress and financial performance to the Policy and Performance Committee and other Committees, was updated to reflect the revised arrangements for providing summary reports on Corporate Plan progress and financial performance to GMT and Members.</p> <p>The action to prepare for the Local Government Association (LGA) peer review was updated to refer to December 2022 as the target date.</p>
<p>2. Failure to obtain adequate resources to achieve service objectives</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 to retender the gas supply contract was updated with a target date of October 2022.</p> <p>The actions to agree the Section 106 requirements for the Alliance Boots planning application and to fully utilise the available 'Reopening the High Streets Safely' funding were both completed.</p>
<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>6</p>  <p>Amber</p>	<p>The Housing Performance Group was removed as a key control.</p> <p>The action to assess any potential implications from the Social Housing White Paper was updated to refer to the Social Housing White Bill.</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>No changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p>

Risk	Inherent Risk	Residual Risk	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 <b>improved</b>.</i></p>	25	<p><b>16</b></p>  <p><b>Red</b></p>	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.
<p>6. Failure to complete the re-development of Beeston town centre</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>	A new action was added to complete Phase 3 of the Beeston Square redevelopment project ('Argos block').
<p>7. Not complying with legislation</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	25	<p><b>9</b></p>  <p><b>Amber</b></p>	<p>Reference to 'domestic or European' legislation was removed from the strategic risk title.</p> <p>No changes were proposed to the key controls, risk indicators and action points for this strategic risk.</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 present an updated Medium Term Financial Strategy and a revised Business Strategy to the Finance and Resources Committee on 10 February 2022 was completed. This has been replaced by an action to present updated strategies to Cabinet in October 2022.</p> <p>The action to submit monthly returns to DLUHC on the additional costs incurred and income lost for the Council as a result of the coronavirus outbreak has now concluded.</p>

Risk	Inherent Risk	Residual Risk	Changes
9. Failure to maximise collection of income due to the Council <i>The position with regards to this risk is <b>unchanged</b>.</i>	20	12  <b>Amber</b>	A new action was proposed to continue monitor the rate of void Housing properties and to actively identify suitable actions to relet and/or re-use these properties.  The group noted the successful completion of the action to implement the Allpay cash payment facility for council housing tenants and council tax payers.  The action to review the processes for collecting sundry debtor income and to implement improvements has also been completed.
10. Failure of key ICT systems <i>The position with regards to this risk is <b>unchanged</b>.</i>	25	15  <b>Red</b>	A new action was added to review the corporate and departmental Business Continuity Plans by 31 August 2022. Training provided by the Executive Director to senior managers would be completed by 31 May 2022.  A target date of August 2022 was added to the action to complete the relocation of the Backup Server from the Council Offices to Kimberley Depot.  The action to present a new ICT Strategy to Policy and Performance Committee on 24 March 2022 was completed.
11. Failure to implement Private Sector Housing Strategy in accordance with Government and Council expectations <i>The position with regards to this risk is <b>unchanged</b>.</i>	20	4  <b>Green</b>	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.
12. Failure to engage with partners/community to implement the Broxtowe Borough Partnership Statement of Common Purpose <i>The position with regards to this risk is <b>unchanged</b>.</i>	15	4  <b>Green</b>	No significant changes were proposed to the key controls, risk indicators and actions.



Risk	Inherent Risk	Residual Risk	Changes
<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>	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
<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>	The action to present the Toton Supplementary Planning Document to the Jobs and Economy Committee on 18 November 2021 was completed and updated with an action to adopt the Toton Supplementary Planning Document in 2022.
<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 action to review business continuity plans to consider the potential impact of cyber-risk and how services would respond and recover from a cyber-attack would now include a target date of 31 August 2022.</p> <p>Actions to work with partners to identify appropriate Covid-19 mobile testing sites in the Borough; to distribute Covid related financial assistance to residents and businesses; and to provide appropriate communications to local residents on the Covid-19 vaccination programme were now completed.</p> <p>The action to review the Major Emergency Plan every two years was updated to include a target date of December 2022.</p> <p>The action to review the Flu Pandemic Plan, would include 'living with Covid'.</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 <b>unchanged</b></i></p>	20	<p>6</p>  <p>Amber</p>	<p>The use of risk-based verification was removed as a key control.</p> <p>The action to undertake a consultation on the new Homelessness and Rough Sleeping Strategy for presenting to Housing Committee in February 2022 was completed. This strategy was added as a key control.</p>

Risk	Inherent Risk	Residual Risk	Changes
<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><b>9</b></p>  <p><b>Amber</b></p>	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.
<p>18. Corporate and/or political leadership adversely impacting upon service delivery</p> <p><i>The position with regards to this risk is <b>unchanged</b></i></p>	20	<p><b>8</b></p>  <p><b>Amber</b></p>	<p>New Constitution and arrangements under the Cabinet and Scrutiny model should provide more robust governance and decision making.</p> <p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</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><b>6</b></p>  <p><b>Amber</b></p>	The new 'Carers Pledge' was added as a key control.
<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 <b>unchanged</b></i></p>	20	<p><b>12</b></p>  <p><b>Amber</b></p>	The Council's 'Values' were added as a key control.
<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>The position with regards to this risk is <b>unchanged</b></i></p>	20	<p><b>6</b></p>  <p><b>Amber</b></p>	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
<p>22. Unauthorised access of data</p> <p><i>The position with regards to this risk is <b>unchanged</b></i></p>	20	<p><b>6</b></p>  <p><b>Amber</b></p>	The action for service managers to review their business continuity plans to consider the potential impact of a cyber-attack and how services would respond to and recover from an attack was updated to include a target date of August 2022.
<p>23. High volumes of employee or client fraud</p> <p><i>The position with regards to this risk is <b>unchanged</b></i></p>	20	<p><b>9</b></p>  <p><b>Amber</b></p>	No changes were proposed to the key controls, risk indicators and action points for this strategic risk.