

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

The Risk Management Strategy, as updated in July 2024, 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.</i></p>	20	<p>4</p>  <p>Green</p>	The action to review the PRINCE2 project management has been completed.
<p>2. Failure to obtain adequate resources to achieve service objectives</p> <p><i>The position with regards to this risk is unchanged.</i></p>	20	<p>16</p>  <p>Red</p>	<p>The 'cost of living crisis' is keeping this risk as one of the highest rated red risks.</p> <p>The action to produce a new Commercial Strategy will be delivered by the Commercial Manager and is set to be completed by March 2025.</p>
<p>3. Failure to deliver the Housing Revenue Account (HRA) Business Plan</p> <p><i>The position with regards to this risk is unchanged.</i></p>	25	<p>12</p>  <p>Amber</p>	<p>The 'cost of living crisis' continues to have an impact upon the HRA service provision and financial position.</p> <p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p>
<p>3a. Failure to deliver a Housing Repairs and Compliance Service which meets Right to Repair and Compliance legislation</p> <p><i>The position with regards to this risk is unchanged.</i></p>	20	<p>12</p>  <p>Amber</p>	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
<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>  <p>Red</p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p> <p>The development of the planning application and RIBA 4 designs for the new Bramcote Leisure Centre are progressing well. The next cross-party meeting of the Bramcote Leisure Centre Project Group is planned for 4 September 2024.</p>

Risk	Inherent Risk	Residual Risk	Changes
5. Failure of Liberty Leisure (LLL) trading company <i>The position with regards to this risk is unchanged.</i>	25	12  Amber	The action to produce a new Get Active Strategy or similar to replace the previous has been completed. The Get Active Action Plan has been updated as a Key Control. The Council's Leisure Client Officer is working with the Business Director, Liberty Leisure Limited, to refresh the 2024/25 Business Plan financial forecasts.
6. Failure to manage the Beeston town centre development <i>The position with regards to this risk is unchanged.</i>	25	9  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk. Progress is being made to complete the letting of Unit 4 on the phase 2 of The Square redevelopment and the potential sale of the 'Argos block' to a suitable third party is ongoing.
7. Not complying with legislation <i>The position with regards to this risk is unchanged.</i>	25	6  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
8. Failure of financial management and/or budgetary control and to implement agreed budget decisions <i>The position with regards to this risk is unchanged.</i>	25	4  Green	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
9. Failure to maximise collection of income due to the Council <i>The position with regards to this risk is unchanged.</i>	20	9  Amber	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
10. Failure of key ICT systems <i>The position with regards to this risk is unchanged.</i>	25	15  Red	The action to complete the relocation of the Backup Server from the Council Offices to Kimberley Depot, or an alternative location is near completion.
11. Failure to implement Private Sector Housing Strategy in accordance with Government and Council expectations <i>The position with regards to this risk is unchanged.</i>	20	4  Green	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.

Risk	Inherent Risk	Residual Risk	Changes
<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>Green</p>	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
<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>Green</p>	The Prevent Strategy; Serious Violence Response Plan; Broxtowe Crime Reduction Action Plan; and Counter Terrorism Situational Risk Assessment are added as key controls.
<p>14. Failure to provide housing in accordance with the Local Development Framework</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>	20	<p>9</p>  <p>Amber</p>	A new action was added to monitor the implications of the recent National Planning Policy Framework draft consultation and the potential implications for housing delivery in the Borough in the future.
<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 unchanged</i></p>	15	<p>12</p>  <p>Amber</p>	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
<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 worsened.</i></p>	20	<p>4</p>  <p>Green</p>	A new action was added to monitor any changes in government policy relating to winter fuel allowances and the potential impact on local residents.
<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	<p>9</p>  <p>Amber</p>	The action to report annually to Cabinet on the shared car parking management arrangements was deleted following the cessation of the management agreement with Rushcliffe BC.

Risk	Inherent Risk	Residual Risk	Changes
<p>18. Corporate and/or political leadership adversely impacting upon service delivery</p> <p><i>The position with regards to this risk is unchanged</i></p>	20	<p>4</p>  <p>Green</p>	<p>The action to present the new Corporate Plan 2024-2028 to Cabinet for approval and adoption on 4 June 2024 was completed.</p>
<p>19. High levels of sickness</p> <p><i>The position with regards to this risk is unchanged</i></p>	16	<p>6</p>  <p>Amber</p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p>
<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>Amber</p>	<p>The action to ensure that an updated Job Evaluation review of all established posts was completed.</p> <p>The action to complete a review of Senior Officers pay in conjunction with an external partner by 31 July 2024 was updated with a new target date set at 31 December 2024.</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>The position with regards to this risk is unchanged</i></p>	20	<p>4</p>  <p>Green</p>	<p>The Hate Crime Strategy; Serious Violence Response Plan; and Counter Terrorism Situational Risk Assessment are added as key controls. The Violence Action Plan, included as a key control, was replaced with the Broxtowe Crime Reduction Action Plan, whilst the Children and Young Peoples and Child Poverty Action Plans was also replaced with the Broxtowe Health and Wellbeing Action Plan.</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>  <p>Amber</p>	<p>Information governance and cyber risk continues to be a key consideration within Business Continuity Plans, following recent significant cyber-attacks on local authorities.</p>
<p>23. High volumes of employee or client fraud</p> <p><i>The position with regards to this risk is unchanged</i></p>	20	<p>4</p>  <p>Green</p>	<p>The Chief Audit and Control Officer has completed the latest corporate Fraud Risk Assessment as part of the Annual Counter Fraud Report to be considered at the Governance, Audit and Standards Committee as part of this agenda.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>24. <i>Failure to achieve commitment of being carbon neutral for the Council's own operations by 2027</i></p> <p><i>The position with regards to this risk is unchanged</i></p>	20	12  Amber	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p> <p>A report was presented to Cabinet on 3 September 2024 to update on the completed Scope 3 emissions analysis and to re-baseline the Council's carbon footprint.</p>

Appendix 3

**EXTRACT OF THE STRATEGIC RISK REGISTER – SEPTEMBER 2024 –
ENTRIES RELATING TO HIGHEST RATED ‘RED’ RISKS****Risk 2 - Failure to obtain adequate resources to achieve service objectives**

Risk Owner(s)	Inherent Risk	Residual Risk
Deputy Chief Executive Head of Finance Services	20	16

Key Controls

- Medium Term Financial Strategy
- Business Strategy
- Economic Regeneration Strategy
- Commissioning and Procurement Strategy
- Capital Strategy and Treasury Management Strategy
- Asset Management Strategy
- Energy Procurement Strategy
- Commercial Strategy
- Land Disposals Policy

Risk Indicators

- Formula grant
- Budget gap
- Fuel and energy prices
- Income levels
- Failed bids for external funding
- General economic indicators
- Interest rates

Action Points

1. Review service objectives in response to changing resources
2. Identify and assess external funding opportunities and ensure any accompanying targets are met
3. Investigate and develop opportunities for shared service working
4. Monitor the impact of the collection of business rates upon resources available to the Council
5. Seek the disposal of surplus assets to generate additional capital receipts
6. Be alert to potential funding opportunities for town centre re-generation initiatives and other capital investment schemes.
7. Identify potential budget savings and maximising income generating opportunities
8. Maximise income from Commercial Property and Industrial Units.

9. Assess the impact of the transfer of responsibility for land charges from local authorities to HM Land Registry.
10. Work collaboratively with Nottinghamshire local authorities to maximise the recovery of business rates income.
11. Assess the outcome of the potential Fair Funding Review, including proposals for greater localisation of business rates, upon the Council's finances.
12. Produce a new Commercial Strategy to replace the previous version, to be completed by March 2025.
13. Progress with the delivery of the Stapleford Towns Fund project.
14. Progress with the delivery of the Kimberley Levelling Up Fund project.
15. Develop a Town Investment Plan for Eastwood.
16. Complete the full recovery of the agreed tram compensation claim against Nottingham City Council.
17. Monitor the impact of the cost of living crisis on the Council's service provision and its financial position.
18. Consider opportunities to utilise any identified surplus office space.
19. Assess the impact of the government's food waste policies and the potential receipt of New Burdens Funding to meet the additional capital and revenues costs associated with its delivery.

Risk 4 - Failure of strategic leisure initiatives

Risk Owner(s)	Inherent Risk	Residual Risk
Deputy Chief Executive	25	20

Key Controls

- Leisure Facilities Strategy
- Leisure and Culture Service Specification
- Liberty Leisure Limited Business Plan
- External legal advice and support

Risk Indicators

- Results of consultation exercises
- Progress against business plans
- Progress against capital programme
- Events impacting upon joint use agreements
- Visitor numbers at leisure facilities
- Income at leisure facilities
- Financial viability of Liberty Leisure Limited

Action Points

1. Determine future strategy for investment in leisure facilities.
2. Review leisure opportunities arising from major developments.
3. Produce a programme to address the issues identified in the detailed property condition survey at Bramcote Leisure Centre.
4. Utilise external legal advice and support as required.
5. Work with Chilwell School to assess leisure facilities options at Chilwell Olympia Sports Centre and report back to Cabinet.
6. Forward plan any necessary capital repair works anticipated at Bramcote Leisure Centre and to submit, consider and profile the financial impact as part of the proposed Capital Programme.
7. Complete the planning application and development of detailed design (RIBA4) for a new replacement Bramcote Leisure Centre.
8. Establish a cross party members group, supported by key officers in leisure, property and regeneration, to identify leisure opportunities in the north of the Borough.

Risk 10 - Failure of key ICT systems

Risk Owner(s)	Inherent Risk	Residual Risk
Executive Director Chief Information Officer	25	15

Key Controls

- ICT Strategy
- Service agreements
- Systems mainly supplied by external supplier
- Back-up server offsite
- Security Policies
- System availability
- Server virtualisation
- Provision of emergency power supply
- Identification of failure at points of entry
- Shared service arrangements with other local authorities
- Geo-location blocking on the firewall
- Warning, Advice and Reporting Point (WARP) service
- Cyber Security Information Sharing Partnership (CISP)
- Business Continuity Plans

Risk Indicators

- Viruses
- Computer downtime
- Overrun/failure of overnight processing
- Key financial reconciliation processes
- Customer complaints
- Backlog of works
- Appropriate staffing resources to support key systems
- Number of security incidents

Action Points

1. Monitor implementation of and regularly test the Business Continuity Plan for ICT Services
2. Pursue partnership working initiatives, where appropriate
3. Assess the impact of the National Cyber Security Standard.
4. Complete the relocation of the Backup Server from the Council Offices to Kimberley Depot or a possible alternative location by 30 September 2024.
5. Address the matters raised by the independent LGA specialist review of the Council's cyber-risk arrangements and key controls.