

**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**

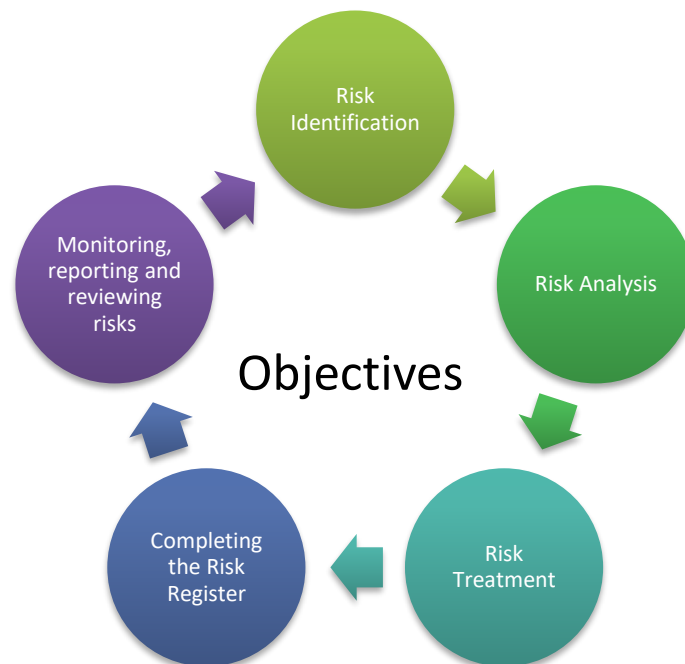
Risk management involves adopting a planned and systematic approach to the identification, evaluation and control of those risks which can threaten the objectives, assets, or financial wellbeing of the Council. It is a means of minimising the costs and disruption to the Council caused by undesired events.

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
<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				
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 <b>unchanged</b>.</i></p>	20	<p>4</p>  <p>Green</p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</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>	20	<p>16</p>  <p>Red</p>	<p>The impact of inflation and the cost of living is keeping this risk as one of the highest rated red risks.</p> <p>The new Government's autumn budget will be delivered to Parliament on 30 October 2024. This will lead onto the local government financial settlement expected in December.</p> <p>The action to assess the impact of the transfer of responsibility for land charges from local authorities to HM Land Registry has been completed.</p> <p>A new action was added to monitor progress on the DWP's migration of existing Housing Benefit cases in to Pension Credit.</p> <p>Two further new actions were added with regards to the risks and costs associated with planning appeals. Firstly, to present a report on planning appeals to this Committee and secondly to be mindful of budget risks from planning appeal decisions and to report any uplift in costs to GMT at the earliest opportunity.</p> <p>The cost of planning appeal decisions was as a risk indicator.</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><b>12</b></p> <p></p> <p><b>Amber</b></p>	<p>The cost of living continues to have an impact upon the HRA service provision and financial position.</p> <p>The action to assess the impact of the Government's rent setting policy from 2025/26 remains a key factor in providing resources for the HRA.</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 <b>unchanged</b>.</i></p>	20	<p><b>12</b></p> <p></p> <p><b>Amber</b></p>	<p>A new action was added to ensure that Fire Risk Assessments for Council properties (including housing) are completed and to review the outcomes in order to ensure compliance with the regulations.</p> <p>A new action was added to ensure that the required asbestos surveys are completed and to review the outcomes in order to ensure compliance with the regulations.</p> <p>Fire Risk Assessment compliance and the completion of asbestos surveys were added as risk indicators.</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><b>20</b></p> <p></p> <p><b>Red</b></p>	<p>A new action was added to monitor progress with the development of the new Community Pavilion and Young People's Centre on Hickings Lane.</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><b>12</b></p> <p></p> <p><b>Amber</b></p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p>
<p>6. Failure to manage the Beeston town centre development</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	25	<p><b>9</b></p> <p></p> <p><b>Amber</b></p>	<p>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p>

Risk	Inherent Risk	Residual Risk	Changes
<p>7. Not complying with legislation</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	25	<p>6</p>  <p>Amber</p>	<p>A new action was added to report on the risks and costs associated with planning appeal decisions to this Committee.</p> <p>The cost of planning appeal decisions was added as a risk indicator.</p> <p>Risk indicators were amended to refer to a generic 'backlog of compliance testing' to include the likes of electrical testing and remedial work in Council's housing stock, fire risk assessment, asbestos surveys and memorial inspections.</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>4</p>  <p>Green</p>	<p>A new action was added to be mindful of budget risks from planning appeal decisions and to report any uplift in costs to GMT at the earliest opportunity.</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>9</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>10. Failure of key ICT systems</p> <p><i>The position with regards to this risk is <b>unchanged</b>.</i></p>	25	<p>15</p>  <p>Red</p>	<p>The action to complete the relocation of the backup server from the Council Offices to Kimberley Depot was completed.</p> <p>Public Services Network (PSN) compliance was added as a risk indicator.</p>
<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>No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.</p>

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 <b>unchanged</b></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 <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>9</p>  <p>Amber</p>	<p>A new action was added to report on the risks and costs associated with planning appeal decisions to this Committee.</p> <p>Planning appeal decisions was added a key control. The existing risk indicator relating to the number of appeals lost by the Council was expanded to refer to the associated unbudgeted costs.</p>
<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>	The action to recruit into the Emergency Response team and complete any required emergency planning training was updated to reflect that the team has now been recruited.
<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>4</p>  <p>Green</p>	A new action was added to monitor progress on the DWP's migration of existing Housing Benefit cases in to Pension Credit.
<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>	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.

Risk	Inherent Risk	Residual Risk	Changes
18. Corporate and/or political leadership adversely impacting upon service delivery <i>The position with regards to this risk is <b>unchanged</b></i>	20	4  <b>Green</b>	A new action was added to report on the risks and costs associated with planning appeal decisions to this Committee. Member decisions made contrary to officer advice was added as a risk indicator.
19. High levels of sickness <i>The position with regards to this risk is <b>unchanged</b></i>	16	6  <b>Amber</b>	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
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>	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
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	4  <b>Green</b>	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.
22. Unauthorised access of data <i>The position with regards to this risk is <b>unchanged</b></i>	20	6  <b>Amber</b>	A new upgraded firewall solution is being installed for the Council's ICT network with the aim of improving cyber security arrangements and mitigating the risks.
23. High volumes of employee or client fraud <i>The position with regards to this risk is <b>unchanged</b></i>	20	4  <b>Green</b>	The group noted the recent reporting of a significant fraud that impacted on Gedling Borough Council. Any local learning to be gleaned from this case will be reviewed and shared with managers accordingly.
24. <i>Failure to achieve commitment of being carbon neutral for the Council's own operations by 2027</i> <i>The position with regards to this risk is <b>unchanged</b></i>	20	12  <b>Amber</b>	No significant changes were proposed to the key controls, risk indicators and action points for this strategic risk.



## Appendix 3

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

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

**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
- Cost of planning appeal decisions

**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. Work collaboratively with Nottinghamshire local authorities to maximise the recovery of business rates income.
10. Assess the outcome of the potential Fair Funding Review, including proposals for greater localisation of business rates, upon the Council's finances.
11. Produce a new Commercial Strategy to replace the previous version, to be completed by March 2025.
12. Progress with the delivery of the Stapleford Towns Fund project.
13. Progress with the delivery of the Kimberley Levelling Up Fund project.
14. Develop a Town Investment Plan for Eastwood.
15. Complete the full recovery of the agreed tram compensation claim against Nottingham City Council.
16. Monitor the impact of the cost of living crisis on the Council's service provision and its financial position.
17. Consider opportunities to utilise any identified surplus office space.
18. 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.
19. Monitor progress on the DWP's migration of existing Housing Benefit cases in to Pension Credit.
20. Present a report on the risks and costs associated with planning appeal decisions to the Governance, Audit and Standards Committee.
21. Be mindful of budget risks arising from planning appeal decisions and to report any uplift in costs to GMT at the earliest opportunity.

**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.
9. Monitor progress with the development of the new Community Pavilion and Young People's Centre on Hickings Lane.

**Risk 10 - Failure of key ICT systems**

<b>Risk Owner(s)</b>	<b>Inherent Risk</b>	<b>Residual Risk</b>
<b>Executive Director Head of ICT and Corporate Services</b>	<b>25</b>	<b>15</b>

**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
- Public Services Network (PSN) compliance

**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. Address the matters raised by the independent LGA specialist review of the Council's cyber-risk arrangements and key controls.