

**SUBJECT: STRATEGIC RISK REGISTER - QUARTERLY REVIEW**

**REPORT BY: CHIEF EXECUTIVE'S**

**LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER**

**1. Purpose of Report**

- 1.1 To provide Performance Scrutiny Committee with a status report of the revised Strategic Risk Register as at the end of the third quarter 2018-19.

**2. Executive Summary**

- 2.1 An update of the Strategic Risk Register, developed under the risk management approach of 'risk appetite', was last presented to Members in November 2018 and contained eight strategic risks.
- 2.2 Since reporting to Performance Scrutiny Committee in November 2018, the Strategic Risk Register has been reviewed and updated by the relevant Assistant Directors and Corporate Management Team. This review has identified that there have been some positive movement in the Risk Register.
- 2.3 The updated Register is attached at Appendix A, this contains ten strategic risks.

**3. Movements in the Strategic Risk Register**

- 3.1 A number of further control actions have now been progressed or completed and the key movements are outlined as follows:

- Risk 2. Failure to deliver a sustainable Medium Term Financial Strategy – A draft MTFS 2019-24 has been developed and will be subject to consultation and scrutiny during quarter 4 ahead of approval by Council on 4<sup>th</sup> March.
- Risk 3. Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council - progress continues to be made against the existing TFS programme with only a small number of schemes left to complete. Work has been progressing during quarter 3 on the development on a new programme of schemes in order to deliver the increased savings targets as per the draft MTFS.
- Risk 6. Unable to meet the emerging changes required in the Council's culture, behavior and skills to support the delivery of the

council's Vision 2020 and the transformational journey to one Council approach – As part of the People Strategy the Council has launched an annual staff recognition scheme. This scheme will assist in celebrating the hard work and success of our employees. Work is ongoing to submit award submissions to Local Government Chronical and Municipal Journal to promote rising stars and recognize the work of our teams. To aid future development a team will also be put forward for the East Midland Challenge in quarter 4. In quarter 3 a transformation change lead will be recruited to in order to support the “One Council” approach to deliver a ‘one organisational’ approach more efficiently and cost effectively. When delivered alongside the People strategy, this approach will support cultural change and develop the skills required now and in the future.

- Risk 7. Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council – Service planning has commenced and work allocations for Vision 2020 projects. Revised management structure changes are continuing to take place with recruitment for AD- Growth in progress.
- Risk 8. Decline in the economic prosperity within the City Centre – A fundamental review of the place shaping strategy has commenced alongside review of the market within the city centre. Work has also started on scoping the development of activity and investment to support the vibrancy of the city centre engaging with government to submit an application to the Future High St Fund.
- NEW Risk 9. Failure to mitigate against outcome of Brexit. Monitoring continues and regular updates are provided to CMT/Leadership. Representation at LRF lead meetings with partners/public organisations and third sectors are scheduled with regular reporting into CMT.
- NEW Risk 10. Failure to deliver key strategic projects i.e. WGC, New build project, Crematorium, Dewint Court. Relevant Boards are in place to monitor key milestones including financial/reputational and resource and partnership implications and effective communication plans /risk registers which are owned and understood. Work is commencing to share and understand the implications of delivery and non-delivery and utilizing external experts for advice and independent review.

3.2 Whilst positive progress has been made in relation to control actions, and this continue to be implemented and risks managed accordingly, this has not resulted in any changes to the assessed levels of likelihood and impacts. The levels of assessed risks are summarised as follows:

<b>Risk No.</b>	<b>Risk Rating</b>	<b>Likelihood</b>	<b>Impact</b>
2	Red/High	Probable	Critical
5, 10	Amber/Medium	Possible	Critical
6, 7 & 9	Amber/Medium	Probable	Major
1, 3, 4 & 8	Amber/Medium	Possible	Major

- 3.3 A revised Strategic Risk Register is attached at Appendix A.

#### **4. Strategic Priorities**

- 4.1 Sound risk management is one way in which the Council ensures that it discharges its functions in accordance with its expressed priorities, as set out in the Vision 2020, and that it does so in accordance with statutory requirements.

#### **5. Organisational Impacts**

- 5.1 Finance – There are no direct financial implications arising as a result of this report. The Council’s Strategic Risk Register contains two specific risks in relation to the Medium Term Financial Strategy and the Towards Financial Sustainability Programme.
- 5.2 Legal Implications including Procurement Rules – The Council is required under the Accounts and Audit Regulations 2011 to have a sound system of Internal Control which facilitates the effective exercise of the Council’s functions and which includes arrangements for the management of risk. The maintenance of a Strategic Risk Register and the control actions which the Council undertakes are part of the way in which the Council fulfils this duty.

#### **6. Risk Implications**

- 6.1 The Strategic Risk Register contains the key strategic risks to the delivery of the Council’s medium and longer term priorities. A failure to monitor the action that is being taken to manage these risks would undermine the Council’s governance arrangements.

#### **7. Recommendations**

- 7.1 Performance Scrutiny Committee are asked to note and comment on the Strategic Risk Register as at the end of the third quarter 18-19.

<b>Key Decision</b>	No
<b>Do the Exempt Information Categories Apply?</b>	No
<b>Call in and Urgency:</b> Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
<b>How many appendices does the report contain?</b>	Strategic Risk Register – Appendix A
<b>List of Background Papers:</b>	N/A
<b>Lead Officer:</b>	Jaclyn Gibson Chief Finance Officer