

<b>SUBJECT:</b>	<b>STRATEGIC RISK REGISTER – QUARTERLY REVIEW</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE AND TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>JACLYN GIBSON, CHIEF FINANCE OFFICER</b>

## 1. Purpose of Report

- 1.1 To provide Members with a status report of the revised Strategic Risk Register as at the end of 2020/21.

## 2. Background

- 2.1 An update of the Strategic Risk Register was developed under the risk management approach of 'risk appetite', was last presented Members in November 2020 and contained fifteen strategic risks. Although regular monitoring of the Council's strategic risks has continued since the last report to Members, reporting (along with other routine performance reporting for Council services), was not undertaken for quarter three.
- 2.2 Since reporting to Members in November, the Strategic Risk Register has been refreshed and updated by the Corporate Leadership Team. The Strategic Risk Register reflects the significant change in circumstances in which the Council has been operating since the onset of the pandemic and the different challenges and opportunities it faces. This review has identified that there have been some positive movement in the register, along with the addition of one new, emerging, risk.
- 2.3 The updated Register is contained with Part B of this agenda, it contains sixteen strategic risks which are listed below, along with details of relevant mitigations.

## 3. Strategic Risks

- 3.1 The Strategic Risk Register previously reported contained fifteen existing risks, as follows:
- 1) Failure to engage & influence effectively the Council's strategic partners, council staff and all stakeholders to deliver against e.g. Council's Vision 2025.
  - 2) Failure to deliver a sustainable Medium Term Financial Strategy (that supports delivery of Vision 2025).
  - 3) Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council.
  - 4) Failure to ensure compliance with statutory duties/functions and appropriate governance arrangements are in place.

- 5) Failure to protect the local authority's vision 2025 due to changing structures and relationships in local government and impact on size, scale and scope of the Council.
- 6) Unable to meet the emerging changes required in the Council's culture, behaviour and skills to support the delivery of the council's Vision 2020/2025 and the transformational journey to one Council approach.
- 7) Insufficient levels of resilience and capacity exist in order to deliver key strategic projects & services within the Council.
- 8) Decline in the economic prosperity within the City Centre.
- 9) Failure to mitigate against the implications for the Council following the outcome of Brexit.
- 10) Failure to deliver key strategic projects.
- 11) Failure of the Council's key contractors and partners to remain sustainable and continue to deliver value for money
- 12) Failure to work in partnership to sustain support to vulnerable residents post COVID19.
- 13) Failure to put in place safe working practices and social distancing measures to protect officers and service users.
- 14) Failure to comply with current safeguarding legislation and procedures.
- 15) Failure to Meet the councils PREVENT duties.

3.2 A number of 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 that supports delivery of Vision 2025 – a refreshed MTFS 21-26, reflecting the significant impact of Covid19 on the Council's future financial projections, was approved by Full Council in March 21. This included a new, increased savings target.
- Risk 3. Failure to deliver the Towards Financial Sustainability Programme whilst ensuring the resilience of the Council – The in year TFS target for 20/21 was overachieved. A programme of reviews is now in place for the increased savings target in the MTFs 21-26, with the first reviews being presented to the Executive in March 21.
- Risk 4. Failure to ensure compliance with statutory duties / functions and appropriate governance arrangements are in place – A debrief of the first wave of the Covid19 pandemic was undertaken by the Emergency Planning Unit with lessons learnt reflected during the 2<sup>nd</sup> wave. Internal Audit conducted an audit into the impact of Covid19 on the Council's working

practices, systems and processes and did not identify that there has been any determinantal impact on the risk and control environment.

- Risk 5. Failure to protect the local authority's vision 2025 due to changing structures and relationships in local government and impact on size, scale and scope of the Council – a watching brief is being maintained in terms of the Government's stance on devolution and local government reorganisation, with a Recovery and Devolution White Paper expected in Autumn 2021
- Risk 8. Decline in the economic prosperity within the City Centre – In March 21 it was announced that the Council was one of the successful cities/towns to be awarded Towns Fund, a total of £19m was awarded to the City. Whilst not the full amount requested, this represents a significant potential investment in the City. Work now progresses on refining the schemes to be submitted.
- Risk 9. Failure to mitigate against the implications for the Council following the outcome of Brexit – The internal action plan has now been completed with ongoing items transferred to service areas as business as usual. The internal working group has now been stood down although quarterly meetings with District and County officers are still undertaken.
- Risk 12. Failure to work in partnership to sustain support to vulnerable residents post Covid19. The Council has established and continues to deliver Test & Trace Isolation payments on behalf of the Government and is working with LCC to deliver further support to vulnerable residents through the Winter Grant Scheme, as well as implementing the Council Tax Hardship Fund payments.
- Risk 13. Failure to put in place safe working practices and social distancing measures to protect officers and service users – The Council continues to review and follow government guidance on working practices to allow staff to come into work safely where required. An appointments system is in place to control customers coming into the buildings with regular monitoring of City Hall and Hamilton House occupancy. Lateral flow testing has been encouraged for all staff having to physically attend work.

3.3 In addition to the fifteen existing risks, one new risk has emerged, as follows:

- Risk 16. Failure to mitigate against the risk of a successful cyber-attack against the council with significant / critical impact Red (Critical/Probable)

3.4 The above movement in control actions has resulted in a change to the assessed levels of likelihood and impact of two risks identified on the risk register:

- Risk 5 has been decreased from Amber: Probable/Major to Amber: Possible/Major.
- Risk 9 has been decreased from Amber: Possible/Major to Green: Hardly Ever/Minor and as such will be removed from the Strategic Risk Register

The levels of assessed risks for all risks are summarised as follows:

<b>Risk No.</b>	<b>Risk Rating</b>	<b>Likelihood</b>	<b>Impact</b>
8	Red/High	Almost Certain	Critical
2, 3, 11, 14 &16	Red/High	Probable	Critical
7	Red/High	Almost Certain	Major
1 & 10	Amber/Medium	Probable	Major
4, 5, 6, 12 &13	Amber/Medium	Possible	Major
15	Amber/Medium	Possible	Critical
9	Green/Low	Hardly Ever	Minor

Control actions continue to be implemented and risks managed accordingly.

3.5 The revised Strategic Risk Register is contained within Part B of this agenda.

#### **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 2025, and that it does so in accordance with statutory requirements and within a balanced and sustainable budget and MTFS.

#### **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, the risk registers that support these are also being reviewed in light of the current financial challenges the Council is facing.

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.

5.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities.

Due to the nature of the report, no specific Equality Impact Analysis is required.

## **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. Recommendation**

- 7.1 Members are asked to note and comment on the Council's strategic risks as at the end of 2020/21.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** None

**List of Background Papers:** None

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