



Governance Scrutiny Group

Tuesday, 1 November 2022

Risk Management Progress Report

Report of the Director – Finance and Corporate Services

1. Purpose of report

1.1. This report provides an update on risk activity since the last meeting on 3 February 2022. It provides a summary of risks in the Council's Risk Registers that have changed, been removed or new risks that have been identified as a result of management review throughout the period; and a focus on high rated risks.

1.1. The contents of this report have not been considered by any other committee.

2. Recommendation

It is RECOMMENDED that Governance Scrutiny Group:

- a) note the contents of this report
- b) considers and makes recommendations on risks that have red alert status.

3. Reasons for Recommendation

3.1. To provide Governance Scrutiny Group the opportunity to discuss risk activity and make recommendations on risk management, mitigation and financial impacts.

4. Supporting Information

Risk Management Activity

4.1. Since the last meeting of this Group, the Council's Risk Management Group (RMG) met on 21 June 2022 and 16 August 2022, in order to review risks on the register and to make recommendations.

4.2. Risk Management Audit

A risk management audit was carried out in June/July by BDO, our Internal Auditors. Pleasingly, we have received a substantial rating (as reported in the Internal Audit Progress update on this agenda).

4.3. Risk Management Training

Risk management refresher training was provided by Zurich, the Council's insurer on Thursday 21 July. This was delivered to attendees of the Leadership Forum. An additional training session on opportunity risk will be delivered on 6 October 2022 for Service Managers. Zurich have also provided training on 15 September 2022 for members of Governance Scrutiny Group.

4.4. Risk Management Strategy

The Risk Management Strategy is due for review in 2022-23 and will be discussed at Governance Scrutiny Group in February 2023.

4.5. There are currently 41 corporate risks and 28 operational risks on the risk register. The number of risks within the registers will fluctuate as active risk management is undertaken. Changing pressures facing local government and the proactive work of managers to identify risks as they emerge will continue to influence new risks added to the register and demonstrates the Council's aim to be proactive to mitigate risk as soon as possible after identification.

4.6. Appendix A presents the Council's existing Risk Register containing corporate and operational risks. Appendix B shows the four risks in the opportunity risk register. There are seven new risks and fifteen have been removed as a result of recent reviews. Risks that have decreased or increased risk ratings are summarised as follows:

Risk Increased

CRR_FCS21 Potential inflationary pressures, with volatility over prediction for budget: the likelihood has increased from 2 to 3 as a result of anticipate pay increases and rising energy costs and the knock-on effect to other supplies and services.

CRR_NS19 Failure to safeguard children and vulnerable adults: the likelihood has increased from 1 to 2 until staff have completed their refresher training.

OR_NS25 Failure to deliver mandatory DFG grant due to insufficient staffing: the likelihood increased from 2 to 3 and impact increased from 1 to 4 in May 2022 due to insufficient funding (note, the description changed from insufficient staffing to funding at this time). This has now been reduced due to mitigation put in place following a report to Cabinet on 12 July 2022, see Appendix A.

Risk reduced

CRR_NS09 Unforeseen incidents happening at public events: the likelihood has been reduced from 2 to 1 as the current control are considered to be effective.

OR_CED05 Failure to meet major statutory duties or take on board new legislation and **OR_CED06** Inadvertent illegal activity, taking illegal decisions:

risk score have been reduced following successful recruitment Service Manager and Monitoring Officer position.

OR_CED07 Ability of the Borough Council to maintain frontline services in the event of a future wave of Covid-19: the likelihood has reduced from 3 to 2 due to previous 2 years' experience of COVID where we've continued to deliver services throughout the peaks of waves of infections.

OR_NS28a Increasing number of developments and greater opportunity for affordable housing: the likelihood reduced from 4 to 3 due to the removal of OR_NS28b Capital resources are utilised to support Affordable Housing (new 3.6m of s106 grant).

4.7. There are seven new risks that have been added to the registers:

CRR_DEG07 Failure to deliver the new core strategy in partnership with Greater Nottingham Housing Market area

CRR_DEG08 Failure to secure the Local Development Order for the Ratcliffe on Soar site

CRR_FCS31 Increases in interest rates which potentially increases the burden if the Council has to borrow

CRR_NS22 Ensure the Homes for Ukraine Scheme is supported in accordance with national guidance (funding & community cohesion)

CRR_NS23 Failure to deliver the Carbon management plan objectives

OPP_FCS01 Increases in interest rates leading to higher interest income on cash balances that are invested

OPP_NS01 Opportunity with the in-sourcing of Streetwise to provide other chargeable services to both public and private sector in line with the Council's charging policy.

4.8. Fifteen risks have been removed. This is mostly a result of an evaluation of the reduced threat from Covid-19 to the Council's strategic and operational activities.

CRR_FCS10 Inflationary pressures, particularly utility costs

CRR_NS12a Failure to deliver statutory services due to impact of Coronavirus on staffing levels

CRR_NS12b Failure to deliver statutory services due to impact of Coronavirus on the community

CRR_NS14 Failure to manage a local lockdown

CRR_NS15 Ability of high streets to implement the necessary safety measures to reopen following lockdown and operate under Covid-secure measures

CRR_NS16 Ongoing impact of Covid19 on the Borough's leisure facilities whilst operating within the Covid-secure guidelines for the leisure industry

CRR_NS17 Impact of Covid-19 on the Borough's leisure facilities and their ability to recover

CRR_NS20 Impact of Covid19 on the Council's budget, and ability to secure external funding for Carbon Management schemes and the availability of staff required to assist with the delivery of this new corporate priority

OR_DEG05 Impact of Covid-19 on the Borough's high streets and their ability to recover following initial lockdown (March to June 2020) and any further local lockdowns

OR_FCS09 Loss of capital/lower interest earned on investments, due to current economic climate

CRR_FCS10 Inflationary pressures, particularly utility costs: (duplicated with FCS21).

OR_NS06 Lack of knowledge of contaminated land

OR_NS28b Capital resources are utilised to support Affordable Housing (new 3.6m of s106 grant)

OR_NS32 Increased risk of domestic violence, abuse, or neglect as a result of increased periods of time at home, limited school provision, reduced income and employment volatility

OR_NS33 Increased risk of Anti-Social Behaviour as a result of enforced periods of lockdown, limited 'allowable' social activities and free use of outdoor spaces

4.9 Appendix C provides a focus on the current high-level risks at red status. The mitigation and financial impact have been reviewed and updated since these were reported in September 2021.

5. Risks and Uncertainties

5.1. If risks within the Risk Register did not have the correct level of mitigation, there would be a heightened threat if a risk occurred. Arrangements are in place to reduce risk by implementation of the Risk Management Strategy.

6. Implications

6.1. Financial Implications

The Risk Management Group ensures that the financial risks of the Council are managed.

6.2. Legal Implications

There are no implications in this report, the processes in place provide good risk management.

6.3. Equalities Implications

The Risk Management Group ensure that equalities implications are contained within this register.

6.4. Section 17 of the Crime and Disorder Act 1998 Implications

The Risk Management Group ensure that the section 17 implications are contained within this register.

7. Link to Corporate Priorities

Quality of Life	Maintaining an accurate and up-to-date Corporate Risk Register assists the Council in delivering its Corporate Priorities.
Efficient Services	
Sustainable Growth	
The Environment	

8. Recommendations

It is RECOMMENDED that that Governance Scrutiny Group:

- a) note the contents of this report
- b) considers and makes recommendations on risks that have red alert status.

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Background papers available for Inspection:	There are no additional papers
List of appendices:	Appendix A – Risk Registers – Corporate and Operational Risks Appendix B – Opportunity Risk Register Appendix C – High Rated Risks Update