



**Governance Scrutiny Group**

**Thursday, 22 February 2024**

**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 28 September 2023. 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.

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) considers 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 23 January 2024, 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 2022 by BDO, our Internal Auditors. Risk Management Level of Assurance was given a Substantial rating for Design and Operational Effectiveness. Three recommendations were made:

**Medium**

- Articulation of the risk and mitigating controls

#### **Low**

- Risk Management Strategy – requires guidance to staff
- Format of risk reports – some information in Pentana not replicated in reports.

#### 4.3. Risk Description Review

During 2023, risk managers have been working to evaluate risk descriptions to better structure wording so that it is clear what the risk is, what triggers the risk to occur and the impact of the risk occurring. Zurich proposed this work during the Risk Health Check in 2020 and have provided guidance throughout this process. It also addresses the medium BDO Internal Audit recommendation above. The revised descriptions are shown in Appendix B and will be adopted into Service Plans on 1 April 2024 for the new financial year.

#### 4.4. Risk Management Training

Zurich provided training on 28 September 2023 for members of Governance Scrutiny Group. Refresher training will be arranged for risk managers in 2024.

#### 4.5. Risk Management Strategy

The Risk Management Strategy was agreed at Governance Scrutiny Group on 23 February 2023. The revised strategy addresses the recommendations in the BDO report and takes into account the latest best practice in Risk Management as communicated by Zurich in the 2022 training sessions.

4.6. There are currently 38 corporate risks and 27 operational risks on the risk register. In addition, there are four opportunity risks. 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.

4.7. Appendix A presents the Council's existing Risk Registers containing corporate, operational risks and opportunity risks. There are no new risks in this report, however, Appendix B outlines changes to risk descriptions and includes new risks that will be included in Service Plans and future reports to this Group. Risks that have decreased or increased risk ratings are summarised as follows:

#### **Risk Increased**

**OR\_DEG06** Cost of defending appeals for large scale residential developments and potential award of costs – Likelihood increased from 1 to 3 as Committee have refused two major (allocated) housing sites contrary to officer recommendation. Cost of defending appeals and payment of any costs claim awarded for unreasonable behaviour.

## **Risk reduced**

**CRR\_CED02** Insufficient staff capacity - skills, knowledge, and availability etc - Likelihood reduced from 3 to 2. This is based on recruitment pressures generally seeming to be much better - more applications being received per post advertised and departments up to full establishment numbers.

**CRR\_DEG07** Failure to deliver the new core strategy in partnership with Greater Nottingham Housing Market area - Likelihood reduced from 3 to 2. The likelihood of the risk has been changed from 3 (possible) to 2 (unlikely). This is because the plan has moved closer to completion and there are now no underlying disagreements between the four partner councils around issues such as housing targets or site allocations. If there had been, then the risks of the partnership failing would be much more possible.

**OR\_NS21** Ensuring the Afghan Relocation Programme is supported in accordance with national guidance (funding and community cohesion) – Impact reduced from 2 to 1 as this risk is being reviewed and will be amended to consolidate other asylum related schemes i.e Homes for Ukraine, Syria etc

## **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.

### **6.5. Biodiversity Net Gain Implications**

There are no implications in this report.

## 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 Governance Scrutiny Group:

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

<b>For more information contact:</b>	Peter Linfield Director - Finance and Corporate Services Tel: 0115 9148439 <a href="mailto:plinfield@rushcliffe.gov.uk">plinfield@rushcliffe.gov.uk</a>
<b>Background papers available for Inspection:</b>	There are no additional papers
<b>List of appendices:</b>	Appendix A – Risk Registers – Corporate, Operational and Opportunity Risk Appendix B – Risk Statement Review