| | **Governance Scrutiny Group** |
|---|---|
| Rushcliffe Borough Council | **Tuesday 23 July 2019** |
| | **Risk Management Progress Report** |

**Report of the Executive Manager – Transformation**

**1. Purpose of report**

1.1. This report provides an update on the progress made since the last meeting on 29 November 2018. It provides a summary of risks in the Council's Risk Registers that have changed; and work relating to the Council's emergency planning and business continuity functions, including a Brexit update.

1.2. 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) consider the actions taken to review the risk management arrangements and implement internal audit recommendations

c) consider the work of the Emergency Planning Officer and endorse the work of the Local Resilience Forum.

**3. Supporting Information**

3.1. **Risk Management Review Update**

**Risk Management Audit**

3.2 RSM Tenon have confirmed that no risk management audit is planned for 2019/20.

3.3 Since the last meeting of this group, the Executive Management Team met on 23 April 2019 as the Council's Risk Management Team, in order to review risks on the register and to make recommendations.

3.4 There are currently 32 corporate risks and 26 operational risks on the risk register. The number of risks within the registers will fluctuate throughout the year 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.

3.5 Examples of risks that have been changed following the review process are:

3.6 Risks removed:

- CRR_TR15 Significant reduction in staff morale – the latest staff survey shows high satisfaction levels
- CRR_TR20 Failure to successfully complete the Rushcliffe Arena snagging list – the 'snagging period' has now ended
- CRR_TR23 Grenfell Tower post incident risk to commercial buildings in Rushcliffe – no evidence of material associated with the Grenfell Tower fire has been found in the borough
- OR_NS30 Reduced levels of performance and leisure provision at East Leake Leisure Centre – good performance from Mitie and robust contract management systems in place
- OR_TR16 Failure to secure vacant possession of Cotgrave precinct and associated risks to town centre regeneration – this risk can be deleted from the register as possession is now secured
- OR_TR23 Challenge to ensure sufficient car parking spaces at Rushcliffe Arena – car parking works complete.

3.7 Risks amended:

- CRR_CO04 Inability to demonstrate a five-year supply of deliverable housing sites against the housing target leading to further development on unallocated sites – Homes England are providing funding to support the delivery of new homes therefore the likelihood has been reduced from 4 to 2
- CRR_FCS07 Central Government policy changes including the Resource and Waste Strategy – likelihood has increased from 2 to 3 due to the anticipated impact of the Fairer Funding Review and Business Rates changes, and risk title updated to include the Resource and Waste Strategy
- CRR_TR17 Inability to draw down Growth Deal 2 funding within specified timescales – likelihood has increased from 2 to 4 due to delays with S106 at Clifton
- OR_ TR14 Partners' closure of buildings where RBC has contact points, including RCCC – likelihood increased from 2 to 3 following receipt of notice to vacate RCCC in 2020.

**Brexit and the risk of a 'No Deal'**

3.8 Brexit negotiations

3.9 The following timetable applies to the ongoing Brexit negotiations:

| | |
|---|---|
| *29 March 2019* | Original planned Brexit day. |
| *10 April 2019* | Extension to the Brexit process agreed until 31 October 2019. The UK can leave earlier if a deal is agreed. |
| *23 May 2019* | The UK is due to take part in European elections. |
| *31 October 2019* | The new EU exit day. The UK will end its membership of the European Union at 23:00GMT and enter a transition period. |

3.10    Reporting Activity January to March 2019

3.11    Monthly strategic level teleconferences took place January – April chaired by Assistant Chief Constable.

3.12    From January Local Resilience Forum (LRF) partners completed weekly organisational Agency Reports, via the Notts LRF pages on Resilience Direct. The information was converted into a LRF wide sitrep available to all Brexit Strategy Board members for consideration and action, as necessary.

3.13    Risks

3.14    The risks identified by The Ministry for Housing, Communities & Local Government (MHCLG) that agencies are required to report on:

3.15    Disruption to critical services
   - Health/medicines
   - Social care
   - Food supplies/food safety
   - Utilities (water, gas, electricity, telephony etc.)
   - Fuel
   - Staffing (including skills gaps)

3.16    Community  and Law and Order concerns
   - Community tensions/community cohesion
   - Law and Order
   - Significant enquiries from public

3.17    Business
   - Impacts on Businesses
   - Impacts on Financial Services

3.18    Environment
   - Including industrial waste

**Food exports**

3.19    Current position - Currently weekly agency reports and subsequent reporting to Ministry of Housing Communities Local Government (MHCLG) are suspended.

3.20    Next steps - The full reporting structure will be stood back up again by the Ministry of Housing Communities Local Government (MHCLG) – when required.

**Emergency Planning Update**

3.21    Elected members information: emergency planning arrangements, has been updated with information to help vulnerable people register for water, gas and electricity priority services. The information document can be found on the Members' Extranet.

3.22    The local resilience forum has decided to set up a cyber group to help review the new national standard for cyber security. Rushcliffe's lead specialist for ICT services will be a member of this group.

3.23 Exercises - Exercise Courier signal IV took place in January. This is a no notice call out exercise activated by the police to test the activation and availability of agencies to supply a Strategic and Tactical level representative. (The Manchester Kerslake report recommends strategic coordinating groups (SCG's) should be capable of meeting within two hrs of an incident.)

**Training**

3.24 Pathfinder Cyber Security - The Ministry of Housing, Communities and Local Government is providing a series of workshops around cyber security throughout 2019. Staff from Emergency Planning, ICT, Performance and Reputation and an Executive manager have attended the first session. The session included advice for reporting cyber security issues and support available from the National Cyber Security centre.

3.25 National Recovery learning event - the emergency planning officer attended the national learning event for the recovery to the Manchester Arena attacks on 23 April.

**Resilient responders programme**

3.26 Following a successful grant bid the British Red Cross Psychosocial and Mental Health Team are running a 2.5yr project to provide resilience and improved wellbeing to emergency service and resilience staff. Rushcliffe will be accessing the free training available to enhance staff's knowledge and increase the support and signposting available to staff during incidents. The training is being provided to the recently trained mental health first aiders, and those involved in resilience work. This will include staff who form part of the forward liaison team for emergency mortuary work.

3.27 The first 2 sessions planned for June and July are:

- Working with trauma
- Working with grief and loss.

## 4    Risks and Uncertainties

4.1 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.

4.2 It is the responsibility of the Emergency Planning Officer to ensure that there are appropriate measures in place in the event of an emergency occurring.

## 5    Implications

### 5.1    Financial Implications

5.1.1 The Risk Management Group ensures that the financial risks of the Council are managed. The SLA with Nottinghamshire County Council to provide an Emergency Planning Service is £25,900 pa.

5.2     **Legal Implications**

5.2.1 The Council is required by law to have risk management procedures in place.

5.3     **Equalities Implications**

5.3.1 The impact of Brexit could have an implication for the Equalities and Diversity in the Borough with different nationalities potentially affected, an increase in hate crime, and a risk to security around protest and disorder if plans are not agreed around information sharing. This risk is noted in the report.

5.4     **Section 17 of the Crime and Disorder Act 1998 Implications**

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

**6       Link to Corporate Priorities**

6.1     All risks within the Corporate Risk Register are linked to one of the Council's Corporate Priorities:

- Delivering economic growth to ensure a sustainable, prosperous and thriving local economy

- Maintaining and enhancing our residents' quality of life

- Transforming the Council to enable the delivery of efficient high quality services

**7       Recommendations**

It is RECOMMENDED that

a)      the contents of this report are noted
b)      consideration is given to the actions taken to review the risk management arrangements and implement internal audit recommendations
c)      the group consider the work of the Emergency Planning Officer and endorse the work of the Local Resilience Forum.

| **For more information contact:** | Leanne Ashmore<br>Executive Manager – Transformation<br>01159148578<br>lashmore@rushcliffe.gov.uk |
|---|---|
| **Background papers available for Inspection:** | There are no additional papers |
| **List of appendices:** | **Appendix 1** - Risk Register |

**Risk Register**

# Corporate Risks

| Risk Code & Title | Impact | Likelihood | RAG Status | Current Rating |
|---|---|---|---|---|
| CRR_CO02 Failure of public sector partnerships / withdrawal of financial support | 2 | 2 | ✅ | 4 |
| CRR_CO03 Failure to safeguard children and vulnerable adults | 3 | 1 | ✅ | 3 |
| CRR_CO04 Inability to demonstrate a five year supply of deliverable housing sites against the housing target leading to further development on unallocated sites | 3 | 4 | 🔴 | 12 |
| CRR_FCS01 Failure to properly deal with community governance review legislation, Community Right to Challenge, and nominations for assets of community value | 2 | 2 | ✅ | 4 |
| CRR_FCS02 Reduction in Government funding linked to New Homes Bonus | 3 | 2 | 🔺 | 6 |
| CRR_FCS03 Failure to prevent or detect fraud and corruption | 3 | 2 | 🔺 | 6 |
| CRR_FCS05 Revaluation of major business rate payer | 4 | 3 | 🔴 | 12 |
| CRR_FCS06 Lack of funding from partners | 2 | 2 | ✅ | 4 |
| CRR_FCS07 Central Government policy changes including the Resource and Waste Strategy | 3 | 3 | 🔴 | 9 |
| CRR_FCS08 Inadequate capital resources | 3 | 2 | 🔺 | 6 |
| CRR_FCS09 Fee income volatility | 2 | 2 | ✅ | 4 |
| CRR_FCS10 Inflationary pressures, particularly utility costs | 3 | 2 | 🔺 | 6 |
| CRR_FCS11 Increased demand for services | 2 | 3 | 🔺 | 6 |
| CRR_FCS12 Risk and return from Asset Investment Strategy | 3 | 2 | 🔺 | 6 |
| CRR_FCS13 Failure to deliver the Transformation Strategy | 4 | 2 | 🔺 | 8 |
| CRR_FCS20 Failure to properly manage and deliver significant projects | 2 | 2 | ✅ | 4 |
| CRR_FCS21 Potential inflationary pressures, with volatility over prediction for budget | 2 | 2 | ✅ | 4 |
| CRR_NS08 Failure of internal health and safety compliance or enforcement of health and safety | 2 | 1 | ✅ | 2 |
| CRR_NS09 Unforeseen incidents happening at public events | 4 | 2 | 🔺 | 8 |
| CRR_TR04 Failure to properly manage our property assets | 3 | 1 | ✅ | 3 |
| CRR_TR07 Equal pay claim | 3 | 2 | 🔺 | 6 |
| CRR_TR08 Failure of business continuity | 3 | 2 | 🔺 | 6 |
| CRR_TR09 ICT supplier goes out of business | 3 | 1 | ✅ | 3 |
| CRR_TR10 Ineffective emergency planning arrangements | 2 | 2 | ✅ | 4 |
| CRR_TR11 Insufficient staff capacity - skills, knowledge etc | 3 | 2 | 🔺 | 6 |
| CRR_TR12 Long term loss/failure of main ICT systems | 4 | 1 | ✅ | 4 |

| | | | | |
|---|---|---|---|---|
| CRR_TR13 Loss or compromise of sensitive data | **3** | **2** | ⚠️ | **6** |
| CRR_TR14 Short term loss/failure of main ICT systems | **2** | **2** | ✅ | **4** |
| CRR_TR16 Threat of major successful cyber-attack | **4** | **2** | ⚠️ | **8** |
| CRR_TR17 Inability to draw down Growth Deal 2 funding within specified timescales | **3** | **4** | 🛑 | **12** |
| CRR_TR21 Failure to comply with the Data Protection Act | **3** | **2** | ⚠️ | **6** |
| CRR_TR22 Loss or compromise of confidential or restricted information or data | **3** | **1** | ✅ | **3** |

# Operational Risks

| Risk Code & Title | Impact | Likelihood | RAG Status | Current Rating |
|---|---|---|---|---|
| OR_CO04 Cost of defending appeals for large scale residential developments and potential award of costs | 2 | 3 | 🔺 | 6 |
| OR_CO05 Failure to determine major planning applications within 13 weeks or agreed period | 3 | 1 | ✅ | 3 |
| OR_CO06 Loss of income as a result of the refund of planning application fees under the provisions of the Government's Planning Performance and Planning Guarantee | 2 | 2 | ✅ | 4 |
| OR_FCS01 Failure to meet major statutory duties or take on board new legislation | 2 | 2 | ✅ | 4 |
| OR_FCS03 Inadvertent illegal activity, taking illegal decisions | 2 | 1 | ✅ | 2 |
| OR_FCS06 Failure to manage and monitor budget | 2 | 2 | ✅ | 4 |
| OR_FCS07 Lack of implementation of financial controls | 2 | 2 | ✅ | 4 |
| OR_FCS08 Exposure to breach of VAT rules | 3 | 2 | 🔺 | 6 |
| OR_FCS09 Loss of capital/lower interest earned on investments, due to current economic climate | 4 | 2 | 🔺 | 8 |
| OR_FCS10 Reputational risk to the Council following adverse media coverage | 2 | 3 | 🔺 | 6 |
| OR_NS02 Disruption and lack of fuel preventing collection of domestic waste | 2 | 1 | ✅ | 2 |
| OR_NS06 Lack of knowledge of contaminated land | 2 | 1 | ✅ | 2 |
| OR_NS20 Significant malfunction of core services/security risk at Council's temporary accommodation premises | 2 | 2 | ✅ | 4 |
| OR_NS25 Failure to deliver mandatory DFG grant due to insufficient funding | 2 | 1 | ✅ | 2 |
| OR_NS28 Delivery of social rented affordable housing | 2 | 3 | 🔺 | 6 |
| OR_NS29 Lack of or inappropriate monitoring of the Council's contracts in place | 3 | 1 | ✅ | 3 |
| OR_TR04 Failure to manage legionella issues | 2 | 2 | ✅ | 4 |
| OR_TR05 Failure to manage asbestos in buildings under our control | 2 | 2 | ✅ | 4 |
| OR_TR13 Failure to maintain council owned trees | 2 | 2 | ✅ | 4 |
| OR_TR14 Partners closure of buildings where RBC has contact points, including RCCC | 3 | 3 | 🛑 | 9 |
| OR_TR17 Threat of violence to staff | 2 | 3 | 🔺 | 6 |
| OR_TR18 Failure to comply with Equality legislation | 2 | 1 | ✅ | 2 |
| OR_TR19 Risk to staff health due to their work | 2 | 1 | ✅ | 2 |
| OR_TR20 Threat of Industrial Action | 2 | 1 | ✅ | 2 |

| | | | | |
|---|---|---|---|---|
| OR_TR21 Unauthorised access to IT systems | 4 | 2 |  | 8 |
| OR_TR24 Failure to successfully review the day to day operation of the Rushcliffe Arena | 2 | 2 |  | 4 |

| Risk Status | |
|---|---|
|  | Alert |
|  | Warning |
|  | OK |