



## **Governance Scrutiny Group**

**Tuesday, 17 September 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 23 July 2019. 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.

#### **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
- 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; however, other operational audits will continue to take place in this period.

##### **Risk Management Activity**

- 3.3. Since the last meeting of this group, the Executive Management Team met on 3 September 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 33 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 changed following the review process are:

3.6. Risks removed – no risks have been removed since the last report to this group.

3.7. Risks added:

- CRR\_FCS22 Uncertainty around Government funding and changes to the business rates system with a one-year financial settlement – new risk due to uncertainty about funding changes and future financial settlements.

3.8. Risks amended:

Assessment changes

- CRR\_CO02 Failure of public sector partnerships / withdrawal of financial support – likelihood increase from 2 to 3 (overall score from 4 to 6) as a result of potential loss of funding resulting from restructuring in the local health sector
- OR\_CO04 Cost of defending appeals for large scale residential developments and potential award of costs – likelihood reduced from 3 to 2 due to the progress being made with Local Plan Part 2, approval of a number of emerging Part 2 sites (not called in by the National Planning Casework Unit) and reduced risk from predatory applications
- OR\_TR14 Partners closure of buildings where RBC has contact points, including RCCC – the risk has occurred due to the forthcoming relocation of West Bridgford Police Station in 2020, and the risk score has therefore changed. Likelihood has increased from 3 to 4 (the relocation is certain) and the Impact has decreased from 3 to 1 as advanced negotiations are underway for an alternative location for the Rushcliffe Community Contact Centre.

Administrational changes

- CRR\_FCS07 Central Government policy changes, including impact of Resource and Waste Strategy – risk description amended to include Resource and Waste Strategy
- Business Continuity and Emergency Planning risks moved from Transformation to Neighbourhoods and have been recoded accordingly as the responsibility now resides with the Executive Manager for Neighbourhoods (formerly it was with the Executive Manager - Transformation).

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

3.9. Brexit negotiations

Current position on 17 September 2019 - The Ministry for Housing, Communities & Local Government (MHCLG) requested local authorities to nominate Brexit leads for a 'No Deal' EU Exit.

13 August: A teleconference for all Brexit leads was held by MHCLG and chaired by Rt Hon Robert Jenrick to provide central and consistent information to local authorities.

16 August: Locally weekly teleconferences were set up to take place between local authority chief executives / local authority Brexit leads to share best practise and standardise the approach to public/businesses where possible. As a result of this Rushcliffe Borough Council are now co-ordinating local authority communication leads. A Brexit information page is available on our website <https://www.rushcliffe.gov.uk/communityandliving/brexit>

20 August: Local resilience forums (LRF's) were asked to submit current planning arrangement plans and risk assessments to MHCLG for national review and gap analysis.

20 August: Rushcliffe Borough Council start to hold weekly Brexit meetings to discuss planning arrangements and review a Brexit action plan.

1 September: A national information campaign 'Get ready for Brexit' is launched to help individuals and businesses prepare.

With a particular focus on business preparations and the promotion of the EU settlement scheme.

The Chief Executive of Nottinghamshire County Council remains the regional lead for upper-tier local authorities on EU Exit.

Brexit was discussed at the pre-planned local authority Chief Executive meeting 6 September 2019.

Planning Assumptions – A set of revised national planning assumptions for a 'No deal' Eu Exit were issued in June and August 2019 to Local Resilience Forums.

Next Steps – It is anticipated, though not yet confirmed that the national reporting structure used January – March will be active.

This will include:

- Agency reports and weekly situational reports (sit reps) to MHCLG /Cabinet Office, with the option to be daily in the 14 days before 31 October 2019.
- A multi-agency Brexit Strategy Board teleconference monthly, detailing any impacts that had occurred, resourcing issues and actions being taken.

### **Emergency Planning Update**

- 3.10. Plans – The corporate business continuity plan is being reviewed as part of its 3-year cycle. The plan details the coordination arrangements for the authority should there be a business interruption that affects critical services.

This review will also need to consider the change in personnel and structure of the council and the relocating of teams from the existing depot to new venues.

As part of this review departmental staff are also reviewing their critical service business continuity plans and will be taking part in an exercise discussion at the September leadership forum around their business continuity response to a cyber-attack.

A wider table top exercise is also being planned to take place in January/February 2020 to test business continuity plans.

3.11. Exercises – Emergency planning staff sat in on Exercise Eagemount a Derbyshire joint exercise with Severn Trent water. The exercise looked at the arrangements for the provision of an alternative water supply and the assistance to vulnerable people

3.12. Training:

#### Emergency Accommodation

Housing staff attended training provided by Nottinghamshire County Council on the emergency accommodation plan. This plan covers county wide arrangements for the assistance to residents who may be evacuated from their homes due to an incident. The plan has flexible options from a short-term place of safety, overnight rest centre to bed and breakfast/ hotel options. The plan is scalable to match the number of people evacuated.

#### Training for executive managers

As part of multi-agency training to provide sessions for senior staff who would be involved in the command and coordination of a major incident, members of executive management team will this year be attending:

- Strategic coordinating group training
- Tactical coordinating group training
- Leading the Recovery form a major incident
- Multi-agency Operational Response Training.

### **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.

#### **5.2. Legal Implications**

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

#### **5.3. Equalities Implications**

5.3.1. The impact of Brexit could have an implication for the Equalities and Diversity in the Borough with; nationality, 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 this register.

### 6. **Link to Corporate Priorities**

All risks within the Corporate Risk Register are linked to one of the Councils' 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
- c) the Group consider the work of the Emergency Planning Officer and endorse the work of the Local Resilience Forum.

<b>For more information contact:</b>	Peter Linfield Executive Manager - Finance and Corporate Services Tel: 0115 9148479 plinfield@rushcliffe.gov.uk
<b>Background papers available for Inspection:</b>	There are no additional papers
<b>List of appendices:</b>	Appendix A – Risk Registers





















## Corporate Risks

Risk Code & Title	Impact	Likelihood	RAG Status	Current Rating
CRR_CO02 Failure of public sector partnerships / withdrawal of financial support	2	3		6
<b>Likelihood increase from 2 to 3 (overall score from 4 to 6) as a result of potential loss of funding resulting from restructuring in the local health sector.</b>				
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	2		6
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	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_FCS22 Uncertainty around Government funding and changes to the business rates system with a one-year financial settlement	3	3		9
<b>New risk due to uncertainty about funding changes and future financial settlements</b>				
<b>Mitigation for this risk:</b>				
<ul style="list-style-type: none"> <li>• Attending budget workshops and seminars and keeping abreast of latest developments.</li> <li>• Sensitivity analysis and scenario planning as part of budget modelling.</li> </ul>				







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_NS10 Failure of business continuity	3	2		6
CRR_NS11 Ineffective emergency planning arrangements	2	2		4
<b>Former CRR_TR08 and 10 have moved to Neighbourhoods</b>				
CRR_TR04 Failure to properly manage our property assets	3	1		3
CRR_TR07 Equal pay claim	3	2		6
CRR_TR09 ICT supplier goes out of business	3	1		3
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	2		6
<b>Likelihood increased from 1 to 2 (risk score from 3 to 6) due to a change in the way secure emails are sent between organisations. Protocols are in place to guide officers when sending sensitive data securely.</b>				




Risk Status	
	Alert
	Warning
	OK

## 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	2		4
<b>Likelihood has reduced from 3 to 2 (rating down from 6 to 4)</b> due to the progress being made with Local Plan Part 2, approval of a number of emerging Part 2 sites (not called in by the National Planning Casework Unit) and reduced risk from predatory applications.				
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	1	4		4
<b>The risk has occurred due to the forthcoming relocation of West Bridgford Police Station in 2020, and the score has therefore changed from 9 to 4. Likelihood has increased from 3 to 4 (the relocation is certain) and the Impact has decreased from 3 to 1 as advanced negotiations are</b>				



<b>underway for an alternative location for the Rushcliffe Community Contact Centre.</b>				
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