



## **Governance Scrutiny Group**

**Thursday, 23 September 2021**

## **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 following the 4 February 2021 update to the Group. It provides a summary of risks in the Council's Risk Registers that have changed over that period including the risks identified as impacted by the Covid-19 pandemic.

#### **2. Recommendation**

It is RECOMMENDED that Governance Scrutiny Group:

- a) notes the contents of this report in relation to existing risks;
- b) considers the progress on the risks identified in response to the global Covid-19 pandemic;
- c) considers and makes recommendations on the information provided for 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. The Council's Risk Management Group (RMG) met on 31 August 2021 to review risks on the corporate and operational scorecards including Covid-19 risks. Additionally, the RMG also reviewed the internal controls and financial implications of risks at red (alert) level, information requested by the Governance Scrutiny Group on 29 September 2020.
- 4.2. The code of some risks has changed following a staffing restructure in May 2021, the codes are:  
CED – Chief Executive's Department  
DEG – Development and Economic Growth  
FCS – Finance and Corporate Services

## NS – Neighbourhood Services

- 4.3. There are currently 45 corporate risks and 32 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.
- 4.4. **Appendix A** presents the Council's existing Risk Register containing corporate, operational and Covid-19 related risks. There are six new risks and five have been removed as a result recent reviews. Additionally, there are five increases and ten reductions to risk ratings. These can be summarised as follows:

### **Risk Increased**

**CRR\_FCS28 Failure to comply with General Data Protection Regulation** Impact increased from 3 to 4 due to the potential financial penalty of up to £17m or 4% of the Council's turnover (whichever is higher).

**OR\_CED04 Threat of industrial action** Likelihood increased from 1 to 2 due to ongoing national pay negotiations.

**OR\_DEG06 Cost of defending appeals for large scale residential developments and potential award of costs** Likelihood increased from 1 to 3 – due to staff resource issues (vacant posts) and an increase in the number of planning applications.  
**OR\_DEG07 Failure to determine major planning applications within 13 weeks or agreed period** Likelihood increased from 1 to 3 – due to staff resource issues (vacant posts) and an increase in the number of planning applications.

**OR\_DEG08 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** Likelihood increased from 2 to 3 – due to staff resource issues (vacant posts) and an increase in the number of planning applications.

### **Risk Decreased**

**OR\_CED07 Ability of the Borough Council to maintain frontline services in the event of further waves of Covid-19** Likelihood reduced from 4 to 3 as a result of lifting of Covid restrictions.

**CRR\_FCS27 Threat of major successful cyber-attack** Likelihood reduced from 3 to 2. A number of security controls for Office365 are now in place that reduce the likelihood of compromise from Cyber Attacks. There is still always a possibility this may occur, but the timeframe is unknown.

**CRR\_FCS08 Inadequate capital resources** Likelihood reduced from 3 to 2 as external borrowing would be used to infill a shortage of resources where necessary.

**CRR\_FCS13 Failure to deliver the Transformation Strategy** Impact reduced from 4 to 3 and Likelihood reduced from 3 to 2. The Transformation Strategy is being delivered albeit timelines are changing due to Crematorium and Bingham Leisure Centre projects.

**CRR\_NS14 Failure to manage a local lockdown** Impact reduced from 4 to 2

- Previous experience is now in place of managing lockdowns including our Environmental Health team working closely with business to ensure compliance
- The Council have appointed extra resources to manage certain pinch points including parks and play areas which were particularly busy over the summer months
- Council contributes to, and lead on, various countywide and local groups including local cell meetings, external and internal recovery groups
- Previous experience now shows we are able to significantly contribute to managing local lockdowns or changes in current tier arrangements.

**CRR\_NS15 Ability of high streets to implement the necessary safety measures to reopen following lockdown and operate under Covid-secure measures** Likelihood reduced from 3 to 2. The Council and its partners successfully supported business to reopen after lockdown was lifted in July.

**CRR\_NS16 Ongoing impact of Covid19 on the Borough's leisure facilities whilst operating within the Covid-secure guidelines for the leisure industry** Likelihood reduced from 3 to 2 as a result of growing confidence in a return to leisure

**CRR\_NS18 Failure of public sector partnerships / withdrawal of financial support** Likelihood decreased from 3 to 2. Two years partnership funding has been secured to support the shared Health Development officer post and recruitment to this post is expected in March. £20,000 grant funding has been secured to extend the Armed forces Covenant officer post which is a partnership post across Melton, Charnwood and Rushcliffe for a further 12 months.

**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** Likelihood decreased from 3 to 2. The new team Manager for Environment is actively looking at funding opportunities for Carbon Management which may be made available from government as part of the green recovery from Covid.

**OR\_NS25 Failure to deliver mandatory DFG grant due to insufficient staffing** Impact and likelihood reduced to 1 following successful recruitment to vacancy.

4.5. Risks removed:

- **CRR\_FCS30** Ability to respond to government policy on Local Government Reorganisation. This risk has been replaced by CRR\_DEG06, see new risks below.
- **CRR\_DEG03 Inability to draw down Growth Deal 2 funding within specified timescales.** Funding has been fully drawn down.
- **OR\_DEG04 Failure to successfully review the day-to-day operation of the Rushcliffe Arena.** The Arena is operating with no associated risks.
- **CRR\_NS17a Impact on the Borough's leisure facilities if closed due to Covid-19.** There is no longer a threat of closure.
- **OR\_NS28 Delivery of social rented affordable housing.** This risk has been split to focus on two different elements. See new risks below.

4.6. There are six new risks:

- **CRR\_DEG04 Ability to deliver Rushcliffe Oaks project on time and within budget**
- **CRR\_DEG05 Ability to deliver Bingham Arena and Enterprise Centre project on time and within budget**
- **CRR\_DEG06 County Deals – opportunity for greater collaboration and Government funding**
- **CRR\_NS21 Ensuring the Afghan relocation scheme is supported in accordance with national guidance (potential funding and community cohesion issues)**
- **OR\_NS28a Increasing number of developments and greater opportunity for affordable housing**
- **OR\_NS28b Capital resources are utilised to support Affordable Housing (new 3.6m of s106 grant)**

4.7. **Appendix B** shows Opportunity Risks that present opportunities to the Council to provide income and/or community benefit. There is currently one opportunity risk for the development of the Crematorium at Stragglethorpe.

- **OPP\_DEG01 Opportunity provided by Rushcliffe Oaks**

## 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 Governance Scrutiny Group:

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<b>For more information contact:</b>	Peter Linfield Director - Finance and Corporate Services Tel: 0115 9148439 plinfield@rushcliffe.gov.uk
<b>Background papers available for Inspection:</b>	
<b>List of appendices:</b>	Appendix A – Rushcliffe Borough Council Risk Register

