

AUDIT & ACCOUNTS COMMITTEE

27 APRIL 2022

UPDATE ON THE STRATEGIC RISK MANAGEMENT PROCESS AND REGISTER

1.0 Purpose of Report

- 1.1 To provide an update to members on the status of the Council's 2022/23 Strategic Risk Register.
- 1.2 To provide an update to members regarding the risk management policy

2.0 Background

- 2.1 Risk management assists in the identification and management of significant risks faced by the Council which have the potential to prevent it from achieving its key/agreed objectives. Proactively identifying potentially significant risks and implementing suitable control strategies help prevent these risks from being realised or this is not possible mitigate to a tolerable level.

3.0 Strategic Risk Review

- 3.1 Strategic risks are those risks that have the potential to halt or significantly interfere with the ability of the Council to achieve its core objectives, priorities and/or ambitions.
- 3.2 Undertaking annual strategic risk reviews helps identify significant potential challenges the council may face so it may appropriately control or mitigate the risks as required. A facilitated strategic risk workshop was undertaken with the council's Senior Leadership Team in February 2022.
- 3.3 The purpose of the annual strategic risk workshop was to:
 - a) Consider the suitability of the existing register
 - b) Identify new, emerging or future significant risks
 - c) Consider the issues arising and develop a formal register to address these risks
- 3.4 During the recent annual workshop significant issues raised/topics discussed included:
 - Climate change
 - Environment/green agenda
 - Financial resilience
 - Government funding/levelling up/fair funding review
 - Fee and charges
 - Economy/inflation/pending debt crisis
 - Infrastructure and growth
 - Digital dependency and cyber threat
 - Workforce resilience
 - Digital inequality
 - Health
 - Contracts, supply chains and fluctuating markets
 - Mental health
 - Vulnerable communities/persons
 - Stock condition/de carbonisation

3.5 This workshop evaluated all existing strategic risks and identified emerging risks for the forth coming year. The following table sets out the new 2022/23 strategic risk register developed by SLT, following the recent workshop. Members will see that no risks were fully deleted or new risks were added. However, where appropriate the risk has been amended to provide a new focus for that risk or to reflective the changes over the past twelve months. This is particularly relevant to the Community Issues- Pandemic risk.

STRATEGIC RISK REGISTER 2022/23			
Title	Description	Owner(s)	Notes
Financial Sustainability - General Fund	Ensuring financial sustainability of the general fund to allow the council to undertake its core functions, deliver services, meet its corporate priorities and objectives.	Sanjiv Kohli	Agreed to retain in full.
Financial Sustainability - HRA	Financial sustainability of the HRA to ensure the council is able to provide, maintain and develop its housing stock.	Sanjiv Kohli	Agreed to retain in full.
Safeguarding	Preventing failures within safeguarding arrangements to ensure protection of vulnerable persons.	Matthew Finch	Agreed to retain with some alterations identified. <ul style="list-style-type: none"> Review of content, purpose and target score are to be undertaken at its next quarterly review.
Failure to Deliver Growth Infrastructure	Facilitating the provision of key local infrastructure projects to ensure growth within the district to meet agreed plans & corporate priorities.	Matthew Lamb	Agreed to retain with some alterations identified. <ul style="list-style-type: none"> To incorporate growth and economy elements from the Community issues – Pandemic risk
Contract/supply failure	Managing contracts with key suppliers, including NSDC wholly own companies, to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.	Deborah Johnson & Suzanne Shead	Agreed to retain in full. <ul style="list-style-type: none"> Additional assignees identified.

Workforce	Ensuring the council is able to recruit, maintain and retain appropriate staffing resource to ensure it is able to deliver its services and meet its corporate objectives.	Deborah Johnson	Agreed to retain with some alterations identified. <ul style="list-style-type: none"> • Further work to be undertaken to incorporate Fatigue, Wellbeing, Stress and mental health.
Emergency Response	The Council's ability to effectively respond as a category 1 responder to a major emergency and maintain a suitable response without affecting essential service delivery.	Matthew Finch	Agreed to retain with some alterations identified. <ul style="list-style-type: none"> • Further work to be undertaken to Roles and posts to support the function. Also consider possible individuals that are suitable for development.
Corporate Governance	Risk of failure in systems of governance within the council, council owned/influenced organisations and partnerships or other collaborative arrangements.	Sue Bearman	Agreed to retain with some alterations identified. <ul style="list-style-type: none"> • To receive a full review to include new cabinet arrangements.
Data Management and Security	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential, business critical information or breach of information governance legislation.	Sanjiv Kohli	Agreed to retain in full.
Arkwood Development	Managing performance and the relationship between the Council and Arkwood Developments in accordance with the governance agreement.	John Robinson	Agreed to retain with some alterations identified. <ul style="list-style-type: none"> • Further work to be undertaken to identify issues linked to availability of future sites.
Community Issues - Pandemic	Immediate and longer term economic and societal impact of global pandemic on NSDC communities and its business economy – specifically concerned with: deprivation,	Matthew Finch	To be amended. <ul style="list-style-type: none"> • This risk is to be aligned to focus on vulnerable communities/persons. Not to reflect solely upon

	direct effect on specific communities/vulnerable persons and the local economy.		effects of pandemic to widen scope to include pending cost of living crisis. <ul style="list-style-type: none"> • Economic issues to be removed and aligned with Delivering Growth risk. • Financial issues to be removed and aligned with General fund risk.
Environment	Ability to meet requirements of the government's green agenda and aspirations/expectations of the NSDC community in delivering a greener/carbon neutral service.	Matthew Finch	Agreed to retain.
Statutory Compliance Management	Implementation and maintenance of suitable statutory safety compliance management systems.	Suzanne Shead and Sanjiv Kohli	Agreed to retain.

4.0 Strategic Risk Register 2022/23 - Development and Review

- 4.1 All strategic risks are formally reviewed quarterly by the risk owner, in conjunction with relevant officers. This is facilitated by the Safety and Risk Manager. Reviewing of the new register will commence in the first quarter of the year – April to June 2022.
- 4.2 It is the intention that all amendments or alterations identified with the recent SLT strategic risk workshop shall be incorporated within the first formal review of each risk.
- 4.3 All failing strategic risks will continue to be reported to SLT, via our agreed assurance processes, on a quarterly basis.

5.0 Risk Management Policy and Guidance

- 5.1 The Risk Management Policy and associated guidance has been fully reviewed and amended where necessary. The Council's Risk Management Group were consulted as part of this process. The final version been approved by SLT.
- 5.2 A copy of the current Risk Management Policy has been appended to this report as Appendix One.

5.3 A further review of this policy shall be undertaken once the proposed new governance arrangements have been implemented.

6.0 Operational Risks

6.1 Operational risks are those risks that have the potential to interfere or halt actual service delivery.

6.2 These risks sit below the strategic risk register and are service/function focussed. These risks are managed by the relevant Business Managers.

6.3 All Business managers recently undertook operational risk assessment training. The purposes of this event was to:

- a) Ensure that all business managers are suitably competent to identify, develop and manage operational risks, and
- b) Develop a new operational risk register

6.4 A draft operational risk register has now been produced. However, this is embryonic and further work is being undertaken to suitably develop all new risk identified.

6.5 It is envisaged that all new risk identified within this recent workshop will be developed and become active within the first quarter of the financial year i.e. April to June 2022

6.6 All failing operational risks will continue to be reported to both the Risk Management Group and SLT, via our agreed assurance processes, on a quarterly basis.

7.0 RECOMMENDATION

Members of the Committee are asked to:

(a) note the amendments to the of the Strategic Risk Register; and to,

(b) note the review of the Strategic Risk Policy.

Reason for Recommendations

To update the Committee on the Council's response and approach to strategic risk.

Background Papers

Nil.

For further information please contact Richard Bates – Safety and Risk Manager on extension 5593.

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