

BRECKLAND DISTRICT COUNCIL

Report of: Maxine O’Mahony - Executive Director of Strategy and Governance

To: Audit Committee – 1st December 2017

Author: Greg Pearson - Corporate Improvement & Performance Manager

Subject: Risk Report – Quarter 2 2017-18

Purpose: To inform the Committee on the current status of the Councils’ strategic risks

Recommendation(s):

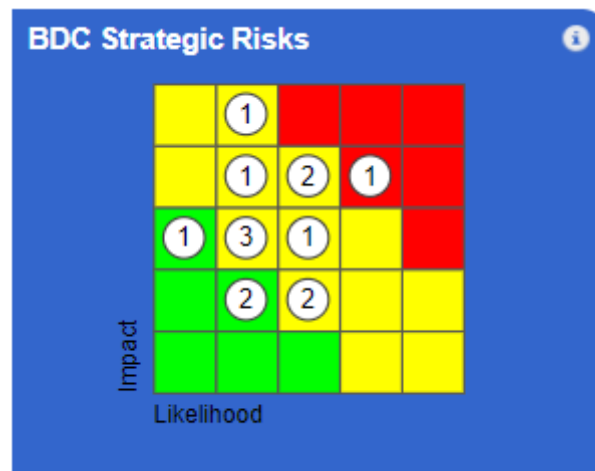
- 1) That the contents of the report are noted.
- 2) To remove strategic risk regarding business rates retention

1.0 BACKGROUND

- 1.1 This report is has been compiled to include updates on strategic risks for quarter 2 of 2017-18.
- 1.2 Strategic risks are captured on the Corporate Dashboard which is available to the Executive Management Team (EMT) and reviewed by EMT quarterly. In addition, risks are reviewed monthly at the internal Performance, Risk & Audit Board chaired by the Executive Director of Strategy and Governance.
- 1.4. Strategic risks have been reviewed and updated with responsible members of the Executive Management Team. The strategic risk register includes 14 strategic risks (see Appendix A). These cover the over-arching risks that may affect the strategic direction of the council, rather than risks linked to business continuity or those that affect discreet service areas.
- 1.5 Strategic risks typically affect the whole of the organisation and not just one or more parts of it. Strategic risks can potentially involve very high stakes and often affect the ability of the organisation to survive, e.g. impact on the ability of the Council to achieve its corporate plan objectives and purpose. Strategic risks are managed at senior level (EMT) within the Council.
- 1.6 The Council’s risk scoring mechanism is based on a 5x5 matrix, and is comparable with best practice in other similar organisations. The risk matrix provides a comprehensive assessment and understanding of risk likelihood and impact. The matrix results in a numerical score which combines the impact of the risk occurring with the likelihood of it happening.
- 1.7 Risks fall into High, Medium or Low categories depending on their rating

High	
Medium	
Low	

- 1.8 Risks are tracked below in a heat map to represent the number of strategic risks currently reported at each score



- 1.9 There is one risk currently reported in the high category which relates to staff recruitment and retention at all levels within the organisation, recent recruitment proved difficult to attract Executive Level Managers to the post of delivery, impacting on the service delivery and the use of an interim. Previously, this has been the case for other positions of this level and further work is being undertaken to address this such as actively looking at our methods and channels of recruitment with the intention of incorporating a more digital approach such as the utilisation of social media and online application forms instead of printable forms. The HR department are also looking to review and reshape our rewards packages which as well as salary also includes staff discounts and other benefits such as Agile working. Reviewing how we recruit and what we can offer will help to mitigate this risk.

- 1.10 There are 10 risks which fall into the medium category. This quarter has seen positive changes as the risk relating to the potential breach of the council's ICT provision has been scored lower moving from high risk to medium risk. With anti-virus and web filtering continuing to mitigate the risk of a virus infecting the systems, work has also been undertaken to ensure all systems are up to date as well as upgrading hardware to newer versions; whilst a breach would have critical impact as it would result in a total shutdown of ICT steps have been taken to minimize exposure as the service has moved back in house as of November 14th 2017 and we would expect to see this risk mitigated further as the service now has complete control over server backups and security measures.

It has been recognised that there is duplication in the risks relating to business rate retention and uncertainty over Government funding. As the updates in the Government funding risk incorporate the business rates situation we recommend the latter risk be removed from ongoing reports with the committee's approval.

- 1.11 There are 3 risks which fall within the low category and are scored as they were in the previous quarter.

2.0 OPTIONS

2.1 That the contents of the report are noted.

3.0 **REASONS FOR RECOMMENDATION(S)**

3.1 The risk we currently have around government funding incorporates business rates retention and is currently seen as a duplication.

4.0 **EXPECTED BENEFITS**

4.1 That the Committee is made aware of the Council's strategic risks and understands that they are being managed and mitigated effectively.

5.0 **IMPLICATIONS**

5.1 **Carbon Footprint / Environmental Issues**

5.1.1 It is the opinion of the author that there are no carbon footprint or environmental implications.

5.2 **Constitution & Legal**

5.2.1 It is the opinion of the author that there are no direct constitutional or legal implications.

5.3 **Contracts**

5.3.1 It is the opinion of the author that there are no direct contract implications.

5.4 **Corporate Priorities**

5.4.1 The report contains information on strategic risks relevant to the delivery of the Council's corporate priorities.

5.5 **Crime and Disorder**

5.5.1 It is the opinion of the author that there are no direct crime and disorder implications.

5.6 **Equality and Diversity / Human Rights**

5.6.1 It is the opinion of the author that there are no direct equality or human rights implications.

5.7 **Financial**

5.7.1 The report contains information on strategic risks relevant to the Council's budgets and financial management.

5.8 **Health & Wellbeing**

5.8.1 It is the opinion of the author that there are no health or wellbeing implications.

5.9 **Reputation**

5.9.1 Risks which come to fruition have some reputational consequence. It is the purpose of the risk management strategy to manage potential outcomes by means of control measures.

5.10 Risk Management

5.10.1 The report provides detail on the Council's strategic risks.

5.11 Safeguarding

5.11.1 It is the opinion of the author that there are no direct safeguarding implications as a result of this report

5.12 Staffing

5.12.1 The report contains information on strategic risks relevant to the delivery of the Council's corporate priorities.

5.13 Stakeholders / Consultation / Timescales

5.13.1 It is the opinion of the author that there are no direct implications arising from this report.

5.14 Transformation Programme

5.14.1 It is the opinion of the author that there are no direct implications arising from this report.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 Not applicable.

7.0 ACRONYMS

7.1 ICT - Information Communication Technology

7.2 EMT - Executive Management Team

Background papers: - [See The Committee Report Guide](#)

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Key Decision: No

Exempt Decision: No

This report refers to a Discretionary Service

Appendices attached to this report:

Appendix A Breckland District Council Strategic Risk Register Q2 2017-18