

**BRECKLAND DISTRICT COUNCIL**

**Report of:** Maxine O’Mahony - Executive Director of Strategy and Governance  
**To:** Audit Committee – 16<sup>th</sup> February 2018  
**Author:** Greg Pearson - Corporate Improvement & Performance Manager  
**Subject:** Risk Report – Quarter 3 2017-18  
**Purpose:** To inform the Committee on the current status of the Councils’ strategic risks

**Recommendation(s):**

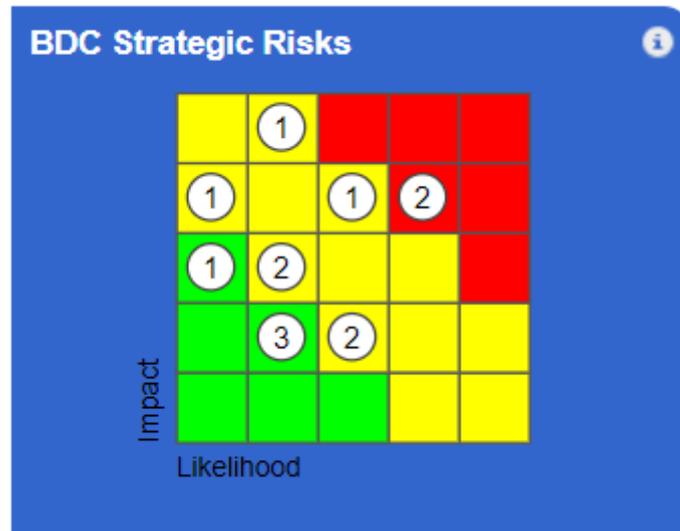
- 1) That the contents of the report are noted.

**1.0 BACKGROUND**

- 1.1 This report is has been compiled to include updates on strategic risks for quarter 3 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 13 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 are two risks currently reported in the high category, this quarter has seen a change in the risks within this category. The ICT risk regarding possible critical breach has now moved to medium, whilst the under occupancy of riverside risk has been scored as likelihood 4, impact 4, moving it to the high category. This is because difficult market conditions have meant that it is taking longer than anticipated to let the remaining units. There is a significant level of activity underway to address this issue, including consideration of alternative uses of the units.

The second high category risk is staff recruitment and retention at all levels within the organization which remains at its score from the previous quarter. There has been an interim appointment for the vacant growth and prosperity executive manager position and permanent recruitment of the HR manager. The current financial year has seen managers and team leaders equipped with training and tools to support staff and grow talent within the council. By addressing succession planning, ensuring the retention of hard working staff and creating flexible working options, the risk should begin to reduce by the next quarter.

- 1.10 There are seven risks which fall into the medium category. There have been three risks which have reduced since the last report. Firstly, the critical breach of ICT risk which moved from the high risk category and is now scored as impact 5, likelihood 2. The impact will always remain high as the total shut down of systems to reduce the possible damage of any breach would have a huge impact on the council and the services we can deliver. The reduction in likelihood is a result of the completion of the moving of the ICT provision in house, giving the council better ability to safeguard security along with the improvement of firewalls with enhanced security features.

Secondly, the risk relating to the Medium Term Financial Plan not being delivered has reduced to impact 2, likelihood 3. This follows the council's removal of reliance on the Revenue Support Grant (RSG) in the 2018/19 budget as well as £0.5 million New Homes Bonus reliance removed from the medium term financial plan. Alongside this, the delivery unit and corporate contracts teams are now in place to support delivery of elements of the Moving Forward programme which deliver income/savings for the council. Both these

factors have meant the reduction in the risk score.

The risk relating to the failure to deliver the Local Plan and its Delivery Plan also reduced in the quarter to impact 4, likelihood 1. This followed the submission of the plan to the Planning Inspectorate on 30<sup>th</sup> November 2017. An inspector has been appointed for the independent examination and therefore the risk has reduced.

- 1.11 There are 4 risks which fall into the low category following the reduction of the Business Rates Retention Scheme risk from medium in the last quarter. This risk has been reduced to impact 2, likelihood 2 following the delaying of the 100% scheme to 2020. This, along with the proposed fairer funding review by government and the alternative 75% retention scheme proposals, which will be consulted on in the future, means the risk to the council has reduced to low. This will continue to be monitored as more information is received on the new proposals.

## 2.0 **OPTIONS**

- 2.1 That the contents of the report are noted.

## 3.0 **REASONS FOR RECOMMENDATION(S)**

- 3.1 Not applicable

## 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

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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 Q3 2017-18