

BRECKLAND DISTRICT COUNCIL

Report of: Maxine O'Mahony - Executive Director of Strategy and Governance
To: Audit Committee – 14th December 2018
Author: Corey Gooch – Senior Business Intelligence Officer
Subject: Risk Report – Quarter 2 2018-19
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.

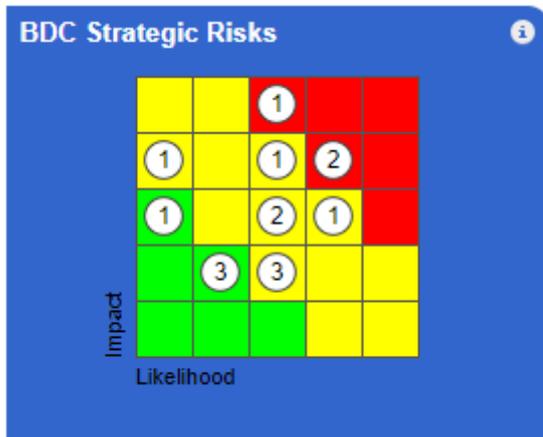
1.0 BACKGROUND

- 1.1 This report has been compiled to include updates on strategic risks for quarter 2 of 2018-19.
- 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.
- 1.3 Strategic risks have been reviewed and updated with responsible members of the Executive Management Team. The strategic risk register includes 15 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. Overall the number of risks in the high category remains the same, there is one less in the medium category this quarter and one more in the low rated category, so overall risk scores have improved this quarter.
- 1.4 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.
- 1.5 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.
- 1.6 Risks fall into High, Medium or Low categories depending on their rating

High	
Medium	



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



1.8

1.9 There are three risks currently reported in the high category

1.10 The ICT risk regarding possible critical breach remains a high risk due to the impact a breach would have on the council, Whilst the ICT service looks to continue to reduce the likelihood reducing impact is more difficult, backups and system checkpoints are implemented by the service so at this stage impact is being reduced in the best possible way.

1.11 The impact of the homelessness reduction Act risk also remains at red status for this quarter, the implementation of the Act continues put a strain on the resources for the housing service as well as the housing register. However following a successful recruitment process for a number of positions at the end of Q2. We would expect to see this risk move to a more positive position over the next couple of Quarters, as the new staff are trained up and able to take on more of the demand and pressure being put on the service.

1.12 The final risk that remains in the high category for this quarter is the risk around the failure to maximise income from the investment asset portfolio. As it stands there are a number of significant sized commercial assets that are being reviewed that have affected the scoring of this risk due to one large void which contributes to reduced revenue income. Despite appraising a number of options for re-investment this year to replace the income, these have not been successful and new opportunities continue to be sought via a refreshed Investment Strategy to invest in existing assets or create opportunities off-market. In addition to the above, all current void units continue to be actively marketed and interest is good and properties continue to churn in the portfolio.

1.13 There are eight risks which fall into the medium category, all of which were scored as medium in the last quarter and therefore there are no changes to report Whilst risk scores have remained the same there has been a lot of work done by the services, which we would hope to see the results of over the next 2 quarters and see these risks meet their target scores. Work includes HR focusing on social media to enhance our recruitment campaigns and this should look to

boost recruitment numbers, the services continues to look at ways to reshape our recruitment process to ensure it is effective in attracting the talent we need, that being said recruitment has been positive for this quarter and we look for this to continue. Analysis has also been conducted by the CIP team which has shown positive trends among staff turnover within Breckland. Work also continues within the Legal team around GDPR and ensuring privacy notices/IARs are complete, a detailed project plan has been produced for remaining work, and an Audit is scheduled for December. There has been positive work done around our contracts monitoring risk as the contracts team continue to receive strategic supplier updates from central government which detail any changes in business strategy, financial stability or shareholder activity which could de-stabilise the companies. The team also ensure that all strategic contracts procured undergo through supplier appraisal before the award of contract, which can be refreshed on an annual basis where necessary.

- 1.14 There are four risks which fall into the low category, the changes in this category relate to the risk around the under occupancy of riverside which has improved and reduced from the medium category in the previous quarter, this is due to only one single void unit remaining, this was previously 4 units so is a positive movement, the unit will continue to be marketed to try and secure a letting, improved trading conditions as a result of a programme of leisure based community activities. Money has also been secured to fund a further programme in 2019.
- 1.15 The CIP Team will be commencing work in December to work with service risk owners to adopt focused approaches to identifying and managing risks to ensure the strategic risk register is dynamic and responsive to the wider organisation as well as reflective of other areas such as the greater economic, environmental and strategic climate. This work will also include monthly risk focused meetings with senior managers to identify new risks as well as any sudden changes or issues to be aware of relating to current risks, the team will also work with senior officers to ensure the councils risks link into wider policy changes and other changes that will affect the council like Brexit. This positive and pro-active new way of working will be reflected in the Strategic risk register moving forward.

2.0 **OPTIONS**

- 2.1 Note the contents of the report and the recommendation and do nothing

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

Background papers: None

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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 2018-19
Appendix B Breckland District Council Strategic Risk Register Q2 2018-19 (Below the line - Exempt)