

**BRECKLAND DISTRICT COUNCIL**

**Report of:** Maxine O’Mahony - Executive Director of Strategy and Governance  
**To:** Governance and Audit Committee – Friday 15<sup>th</sup> February 2019  
**Author:** Ross Bangs – Corporate Improvement and Performance Manager  
**Subject:** Quarter 3 18/19 Strategic Risk Report  
**Purpose:** To inform the Committee on the current status of the Councils’ strategic risks

**Recommendation(s):**

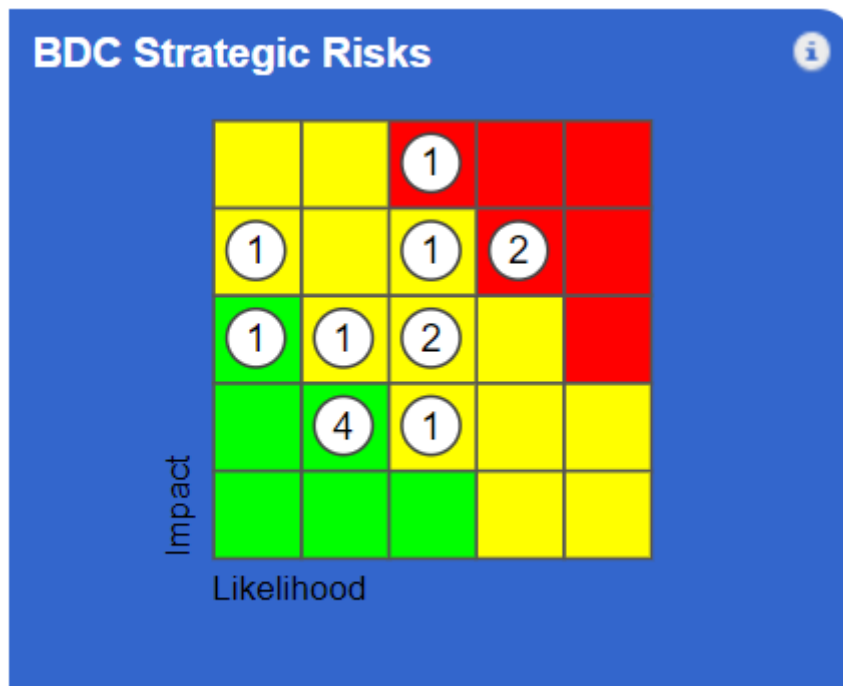
- 1) That the contents of the report are noted.

**1.0 BACKGROUND**

- 1.1 The report presents the status of the Council’s 14 identified strategic risks as of the end of quarter 3 18/19.
- 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.
- 1.4. 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 In their nature, strategic risks have been identified as having the potential to cause organisation wide impact and will often cover a number of key services and departments.
- 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 14 risks included within the Q3. Risk Report, one less than at the end of Q2.

The risks are made up of the following.

Level of identified Risk	Quarter 3 18/19	Quarter 2 18/19
High	3	3
Medium	6	8
Low	5	4

The above table shows that the number of risks considered high has remained static for the last quarter whereas there has been a reduction of two within the medium rating. Of these the risk relating to staff recruitment and retention has been reduced to a low rating and the risk relating to the occupancy of Riverside has been removed as per the minutes of the last meeting. The number of risks considered low has therefore increased to 5.

Of the 14 risks, the 3 considered as high include the risk of a critical ICT breach, the continued impact following the introduction of the Homelessness Reduction Act and the risk to the Council of not maximising from its asset portfolio.

The risk of a breach to ICT security remains high as the impact to the organisation would be considered as critical, therefore having the potential to cause a long-term and wide reaching inability for the Council to maintain critical business activity. With this said, the ICT team continues to take multiple steps to mitigate against an attack which include current firewalls to restrict external access and the instillation of up to date antiviruses and malware software.

The Impact of the Homelessness Reduction Act continues to present as a high risk to the Council. With this said and following on from the Quarter 2 report, new officers have been recruited and trained and although demand remains high, a reduction of this risk is expected in Quarter 4.

The Council's ability to maximise income from its asset portfolio remains high due in-part to current market conditions. In addition notice has been given on one of the Council's larger commercial assets and is due to become void at the end of March; work is underway to secure a new tenant and this property is being actively marketed. In regards to the vacant unit in Kings Lynn, the team are in advanced negotiations with a potential tenant and it is hoped that contracts can be exchanged in March.

- 1.10 There are 6 risks which fall into the medium category. Staff recruitment and retention has been reviewed and is now shown as a medium risk and on target. This follows the successful launch of the talent management programme to engage and retain existing colleagues which has been supported by new and innovative approaches towards advertising staff vacancies which has seen an increase in potential colleagues applying to work at the Council.

The risk relating to the implementation of the General Data Protection Regulation continues to be above target and a new target date is proposed for the 31<sup>st</sup> May, this follows audit recommendations and involves new terms being drafted to include new contractual obligations to our suppliers and how they handle and process Council data.

The risk relating to how the Council's contracts are procured and managed remains static within the medium rating. The team continue to undergo and develop thorough supplier appraisals and are measuring the effectiveness through to contract award. In addition the team are keeping a watching brief on how implications surrounding Brexit may impact the Council's contracted supplier supply chains.

- 1.11 As per the last minutes, risks relating to the under occupancy of Riverside and delivery of the Local Plan have been removed.

## 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

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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 2018-19  
Appendix B Breckland District Council Strategic Risk Register Q3 2018-19 (Below the line - Exempt)