

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Executive Director of Strategy and Governance
To: Governance and Audit Committee – 24 September 2015
Author: Corporate Improvement & Performance Team Leader
Subject: Strategic Risk Report
Purpose: To update the committee on the current status of strategic risks

<p>Recommendation:</p>

<p>1) That the report is noted.</p>

1.0 BACKGROUND

- 1.1. The last risk report to the Governance and Audit Committee was in March 2015. Since then, routine performance and risk reporting has been temporarily suspended to allow for the review of performance and risk frameworks and the implementation of a new corporate ICT system to support their delivery. The frameworks have been reviewed and a system (Covalent) has been procured and is currently being populated to cover all performance indicators, risks and projects as part of phase 1 of its implementation.
- 1.2 This report is the first risk report to be generated using the new system, and contains status updates on strategic risks only for 2015/16 to date. Future quarterly reports will also contain details of high scoring operational risks, which are yet to be fully implemented into the new system, expected by the end of quarter 3 as current resources are focused on completion of the performance indicator module.
- 1.3 Strategic risks have been reviewed and updated with responsible members of the Executive Management Team (EMT). The strategic risk register includes 8 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.
- 1.4. Strategic risks are captured on the Corporate Dashboard, reviewed by EMT quarterly. In addition, risks are reviewed monthly at the officer-led Performance, Risk & Audit Board chaired by the Executive Director of Strategy and Governance.
- 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 Board (EMT) Level.

- 1.6 **Operational risks** refer to potential impacts and losses arising from the normal operations. They affect the day-to-day running of operations and organisational systems. Operational risks are managed at directorate and / or service level.
- 1.7 The Risk Framework is currently under review, alongside the implementation of the new ICT system. As part of this review the risk matrix has been changed from a 3 x 3 to a 5 x 5 matrix, based on best practice in comparable organisations. This provides a more 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.

	Unlikely (1)	Possible (2)	Plausible (3)	Likely (4)	Certain (5)
Critical (5)	Yellow	Yellow	Red	Red	Red
High (4)	Yellow	Yellow	Yellow	Red	Red
Medium (3)	Green	Yellow	Yellow	Yellow	Red
Low (2)	Green	Green	Yellow	Yellow	Yellow
Minimal (1)	Green	Green	Green	Yellow	Yellow

- 1.8 Risks fall into High, Medium or Low categories depending on their rating

High	Red
Medium	Yellow
Low	Green

2.0 **OPTIONS**

2.1 That the contents of the report are noted.

3.0 **REASONS FOR RECOMMENDATION**

3.1 N/A

4.0 **EXPECTED BENEFITS**

4.1 There are no expected benefits.

5.0 **IMPLICATIONS**

5.1 Carbon Footprint / Environmental Issues

5.1.1 It is the opinion of the Report Author that there are no implications.

5.2 **Constitution & Legal**

5.2.1 It is the opinion of the Report Author that there are no implications.

5.3 **Contracts**

5.3.1 It is the opinion of the Report Author that there are no 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 Report Author that there are no implications.

5.6 **Equality and Diversity / Human Rights**

5.6.1 It is the opinion of the Report Author that there are no implications.

5.7 **Financial**

5.7.1 It is the opinion of the Report Author that there are no implications.

5.8 **Health & Wellbeing**

5.8.1 It is the opinion of the Report Author that there are no implications.

5.9 **Risk Management**

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

5.10 Staffing

5.10.1 It is the opinion of the Report Author that there are no implications.

5.11 Stakeholders / Consultation / Timescales

5.11.1 It is the opinion of the Report Author that there are no implications.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 No wards or communities are affected

7.0 ACRONYMS

7.1 EMT – Executive Management Team

Background papers:- None

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Director / Officer who will be attending the Meeting

Name and Post: Jessica Woodhouse, Corporate Improvement and Performance Team Leader

Key Decision: No

Exempt Decision: No

This report refers to a Discretionary Service

Appendices attached to this report:

Appendix A – South Holland District Council Strategic Risk Register (2015/16 – September 2015)