

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Maxine O'Mahony - Executive Director of Strategy and Governance
To: Governance and Audit Committee – 23rd February 2017
Author: Greg Pearson - Corporate Improvement & Performance Manager
Subject: Quarterly Risk Report, Q3 2016/17
Purpose: To inform the Committee on the current status of the Councils' strategic risks

Recommendation:

That the contents of the report are noted.

1.0 BACKGROUND

- 1.1. The last risk report to the Governance and Audit Committee was in December 2016 for Quarter two. Since then, there have been a number of changes to the strategic risk register which are highlighted in this report.
- 1.2 This report is generated using the Covalent system and includes updates on strategic risks for quarter three, 2016/17.
- 1.3 Strategic risks are visible on the Corporate Dashboard which is available to the Executive Management Team (EMT) and risks are 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 the responsible members of EMT. 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. The strategic risk register includes 13 strategic risks (see Appendix A) which is a decrease of one risk from Quarter two, however, there is a suggestion for one risk to be removed going forward and is detailed further in the report.
- 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 deliver the Local Plan.
- 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

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

1.9 There are currently no risks reported in the high category. The risk relating to the failure of CPBS to deliver core services reported as high risk in Quarter 2 has decreased in score since the last quarter. The decrease in risk has been assessed due to previously reported issues within the Revenues and Benefits team subsiding to a more controllable level and less risk of the HB LA Error rate remaining above the threshold at which the organisation would incur a loss/reduction of subsidy payment. Additionally, money saved in staffing vacancies is being used to fund CIVICA consultancy for 12 months which will maintain the recent improvements and sustain service delivery going forward where the organisation is struggling to recruit suitable high quality Benefits Assessors.

1.10 There are currently ten risks which fall into the medium category. Of these risks, most remain at the same score as last quarter with only one increasing. The failure to deliver the outcomes of Welland Homes currently remains at six, there are options being presented to the Welland Homes Board to address this level of risk.

1.11 There is one strategic risk which is currently reported and is suggested to be removed. This is the risk concerned with Failure to deliver the Council's Corporate Priorities. This is a risk that has been scored consistently within the low risk category and has consistently met its target risk score. It is proposed that the risk is removed in the interim and re-added if there is any escalation in the risk level.

1.12 There are 3 risks currently reported in the low category are these are scored as they were in the previous quarter.

1.13 All but two of the risks have had a target risk level added to their assessment. The targets are considered appraisals of the risk levels that the organisation would like to achieve. Targets may change over time in order to reflect changing circumstances and changes to these will be highlighted to the board.

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 Corporate Priorities

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

5.2 Financial

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

5.3 Risk Management

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

5.4 Staffing

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

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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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 (Q3
2016/17)