

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Maxine O'Mahony - Executive Director of Strategy and Governance  
**To:** Governance and Audit Committee – 14 December 2017  
**Author:** Greg Pearson - Corporate Improvement & Performance Manager  
**Subject:** Quarterly Risk Report, Q2 2017/18  
**Purpose:** To inform the Committee on the current status of the Councils' strategic risks

### **Recommendation:**

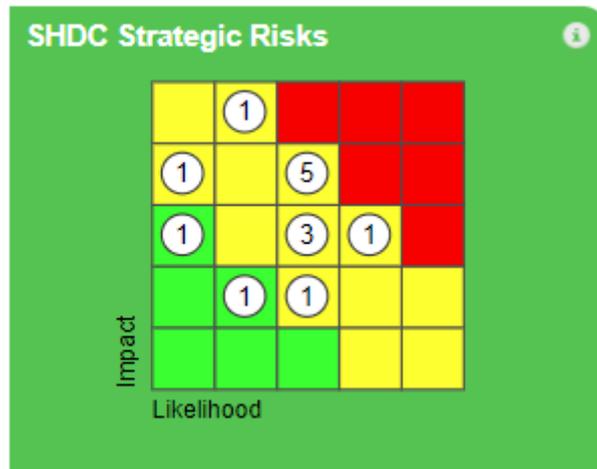
- 1) That the contents of the report are noted.

### **1.0 BACKGROUND**

- 1.1. The last risk report to the Governance and Audit Committee was in September 2017 for Q1. Since then, there have been a small 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 2, 2017/18.
- 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 officer-led 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 14 strategic risks (see Appendix A).
- 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.
- 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 currently no risks that are rated in the high risk category.
- 1.10 There are currently twelve risks which fall into the medium category. Of these risks, most remain at the same score as last quarter. As of Quarter 2 the risk relating to County Council budget risk has increased, moving from a low category risk to a medium category risk. This is due to the fact that the county council budget will not be announced until February 2018, therefore until that point we cannot be fully clear on the budget implications and as such we must take a more prudent view on this risk until clarity is provided.

It is also worth noting in this report the risk regarding the failure to deliver core services with CPBS has reduced following on from a brief period in the high risk category due to a high number of vacancies within the service, It is pleasing to note that this risk has since reduced and has fallen into the medium risk category following on from some successful recruitment within CPBS. CPBS have successfully recruited a Head of service for finance in a permanent position and have also filled all the vacant roles within the IT service with the exception of one which is still in the interview stages, these factors have seen the reduction in this risk score.

- 1.11 There are 2 risks currently reported in the low category which are relating to the failure to effectively implement corporate business continuity plans and the failure to deliver corporate priorities, these are scored as they were in the previous quarter.

## 2.0 OPTIONS

2.1 That the contents of the report are noted.

2.2 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 **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. In addition the appropriate management of risk is fundamental to the sound financial management of the Council's finances.

##### 5.3 **Risk Management**

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

##### 5.4 **Staffing**

5.4.1 The report contains information on strategic risks relevant to staffing and delivery

#### 6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 No wards or communities are affected

#### 7.0 **ACRONYMS**

7.1 EMT – Executive Management Team

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Background papers:- None

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#### **Lead Contact Officer**

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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 (Q1 2017/18)