

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Maxine O'Mahony - Executive Director of Strategy and Governance

To: Governance and Audit Committee – 24th May 2018

Author: Charlotte Paine – Senior Business Intelligence Officer

Subject: Quarterly Risk Report, Q4 2017/18

Purpose: To inform the Committee on the current status of the Councils' strategic risks

Recommendation:

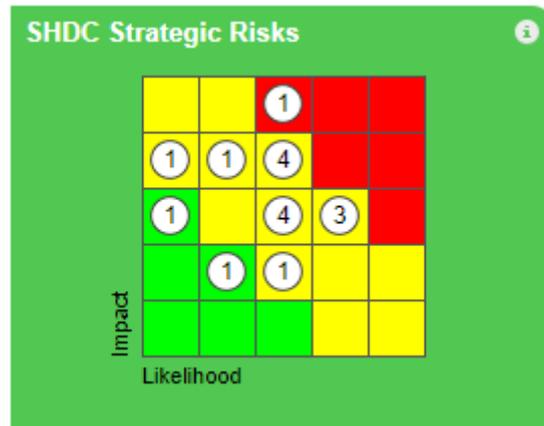
- 1) That the contents of the report are noted.

1.0 BACKGROUND

- 1.1. The last risk report to the Governance and Audit Committee was in March 2018 for Q3. 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 Pentana (formerly Covalent) system and includes updates on strategic risks for quarter 4, 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 17 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 is currently one risk in the high risk category. This relates to the critical breach of ICT which has been increased following the National Cyber Security Centre (NCSS) intelligence regarding possible increased threat from Russian government-supported malicious cyber activity. The ICT department are aware of the threat and the reviewing the mitigations suggested by the NCSS as well as continuing with the ongoing work to ensure the safety of our computer networks.

1.10 There are currently thirteen risks which fall into the medium category. Of these risks, most remain at the same score as last quarter with 1 risk increasing in score. There have been 3 new risks added since Q3, there are; Impact of Homelessness Reduction Act, Contracts Monitoring and Staff Recruitment and Retention within the Shared Services Arrangement.

The risk that increased in the quarter is the impact of business rate appeals. This is due to current ongoing legal action undertaken by the NHS who are appealing for business rate reductions to be applied which, if successful, could have an impact throughout the Country and has therefore increased the likelihood on the SHDC risk. More detail will be provided of the decision when available.

The Homelessness Reduction Act risk has been added following the introduction of new legislation for the housing service. This is to ensure that we monitor the impact of the new statutory requirements and consider if any further mitigations are required. Currently the impact seen has been an increase in the time spent with those presenting as homeless rather than an increase in the number of presentations. This is being monitored to ensure the correct advice and level of service is being provided.

Contracts Monitoring is a strategic risk in the light of the Carillion collapse to provide assurance that we are monitoring the stability of our contracts. The contracts and procurement team are working closely with services to ensure the most accurate contracts

register is available which supports the monitoring of all contracts over £5,000. Key strategic contracts are part of wider government transparency governance and where any concerns regarding profits or shares are highlighted, this information is made available, and this is monitored by the contracts and procurement team.

Staff retention within the Shared Services Arrangement is a risk that is being monitored to see whether there is a particular risk around retention of staff who are part of the Breckland and South Holland Shared Management model. There were recently some key strategic roles that were proving difficult to recruit to, however, there have now been 2 appointments made to the Executive Management Team from internal candidates. This shows the level of talent within our own pool of employees and supports a key objective regarding internal talent management.

1.11 There are 2 risks currently reported in the low category are these are scored as they were in the previous quarter.

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

7.2 NCSS - National Cyber Security Centre

7.3 ICT – Information Communication Technology

Background papers:- None

Lead Contact Officer

Name and Post: Charlotte Paine – Senior Business Intelligence Officer
Telephone Number: 07870 835233
Email: charlotte.paine@breckland-sholland.gov.uk

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 (Q4 2017/18)