

SOUTH HOLLAND DISTRICT COUNCIL

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

To: Governance and Audit Committee - Thursday 14th March 2019

Author: Ross Bangs – Corporate Improvement and Performance Manager

Subject: Quarter 3 Risk Report

Purpose: To provide an update to the committee on the progress of the Council's identified strategic risks

Recommendation(s):

- 1) To note the content of the report
- 2) To add a strategic risk to the register 'The impact on the Council of emerging local and national policy, including Brexit'

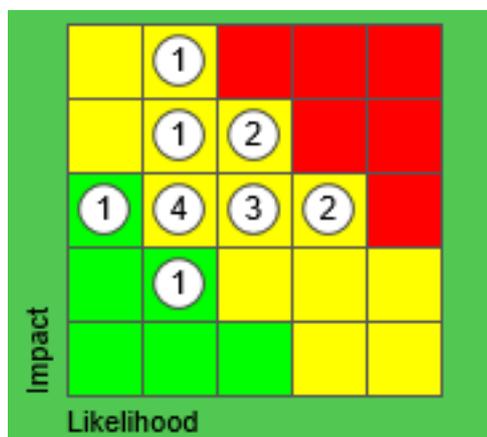
1.0 BACKGROUND

- 1.1 The report presents the status of the Council's 15 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.
- 1.3 Strategic risks have been reviewed and updated with responsible members of the Executive Management Team. The strategic risk register includes 15 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 By 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.
- 1.5 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.
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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 15 strategic risks included within the Q3 18/19 Risk Report, the same number as at the end of Quarter 2.

Risks are made up of the following -

Level of identified risk	Q3 18/19	Q2 18/19
High	0	0
Medium	13	13
Low	2	2

Although the number of risks have remained static in each category, it should be noted that there has been some positive movement within. It should also be seen as a positive that for the third consecutive month there have been no risks identified as high.

Of those considered a medium risk, there has been a positive movement for the following.

The risk relating to the Council's implementation of the GDPR regulations has reduced as a result of the successful completion of the Privacy Notices and development of the Asset Registers. In addition a project plan to monitor performance has been completed and 'reasonable assurance' has been received following an internal audit.

There has been a reduction in the risk relating to staff recruitment and retention. Quarter 3 saw the lowest number of officers leaving the council in a single quarter with only 3 leaving in this time. In addition, staff recruitment continues to improve across all areas of the Council. This can be attributed to the way in which we are both advertising our vacant roles and the packages which we are able to offer.

The risk relating to the Council's ability to deliver both the financial and non-financial outcomes of Welland Homes business plan has been reduced. This is on the basis that the plan is now halfway through its lifespan and therefore the likelihood of non-delivery is reduced.

The risk which monitors the Council's reliance on maximising income from trading opportunities has also been reduced within the last quarter. This is owing to the growing presence of EHT&C which continues to develop and establish a brand within the market place.

The remaining risks although reviewed remain static from Q2; these include.

The Councils medium term financial plan including the uncertainty surrounding the future of the Governments Settlement Funding will remain static until the outcome of the government's reviews are known and understood.

The risk relating to the impact on the Council of the Homelessness Reduction Act remains static. Although numbers accessing the Housing Service are now at a more consistent level, officers still require additional training in order to be in a position to provide the necessary support on a larger scale. It is anticipated that we will see a reduction of this risk in Quarter 4.

The risk of a critical breach of ICT security remains static. The service are constantly ensuring that the most current anti-virus and malware software is in place in addition to ongoing user education and support. The recent introduction of a dedicated Security Analyst has helped CPBS develop new standards and processes to combat increasing threats from cyber-attacks.

2.0 Recommendation

- 2.1 It is proposed that a new Strategic Risk is added to the Councils Strategic Risk Register, this being – 'The impact on the Council of emerging local and national policy, including Brexit'

3.0 REASONS FOR RECOMMENDATION

- 3.1 This recommendation is proposed so that the Council can use its risk matrix to formally measure and monitor the impact of any new policy including any impact which Brexit may have on South Holland District Council.

4.0 EXPECTED BENEFITS

- 4.1 To ensure that the identified Strategic Risks are properly monitored and reviewed in accordance with the Corporate Risk Policy.

5.0 IMPLICATIONS

5.1 Constitution & Legal

The report is made within the terms of reference of the Governance and Audit Committee.

5.2 Corporate Priorities

The report presents progress monitoring of performance of the corporate priorities.

5.3 Financial

The report contains information on Council's financial risks which does convey some information relating to financial matters.

5.4 Reputation

Performance issues can cause some reputational consequence. It is the purpose of this report to highlight performance issues at an early stage.

5.5 Risk Management

Performance issues may be subject to risk management measures to protect Council interests.

5.6 Staffing

The report contains information relating to staffing issues.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 No Wards or Communities are affected

7.0 ACRONYMS

PMP – Performance Monitoring Panel
LA – Local Authority

Background papers:- [None](#)

Background papers:- [None](#)

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Director / Officer who will be attending the Meeting

Name and Post: Ross Bangs – Corporate Improvement Manager

Key Decision: No

Exempt Decision: No

Appendices attached to this report:

Appendix A Quarter 3 Risk Register