

SOUTH HOLLAND DISTRICT COUNCIL

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

To: Governance and Audit Committee – Thursday 6th June 2019

Author: Ross Bangs – Corporate Improvement and Performance Manager

Subject: Quarter 4 Risk Report

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

Recommendation(s):

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| 1) To note the content of the report |
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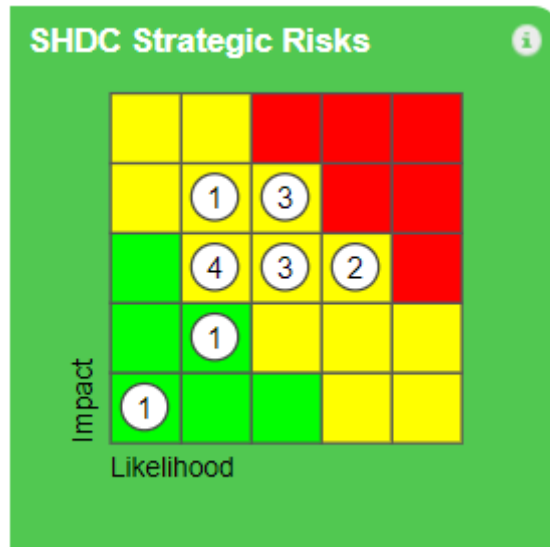
1.0 BACKGROUND

- 1.1 The report presents the status of the Council's 15 identified strategic risks as of the end of quarter 4 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 3.

Risks are made up of the following -

Level of identified risk	Q4 18/19	Q3 18/19
High	0	0
Medium	15	15
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 the categories. 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 further reduction in the risk relating to staff recruitment and retention. Quarter 4 has continued the low turnover trend we saw in Q3 with only 4 staff leaving the council in the quarter. 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. Retention is also continuing its positive trend and all posts are being recruited to within the target times set.

The risk relating to the failure to deliver the local plan has reduced to the lowest risk level at 1x1 as the Local Plan Inspectors report was received on 29th January and subject to modifications was found to be sound. The Local Plan was subsequently adopted at a meeting of the South East Lincolnshire Local Plan Joint Committee on 8th March. This risk will be re-assessed by the next reporting cycle to determine how this risk will look and if still required going into Q1 19/20.

Another risk which has reduced in impact is of a critical breach of ICT security. The service have assessed this risk based on the current cyber security threats for all local government organisations and PSPS are constantly ensuring that the most current anti-virus and malware software is in place in addition to ongoing user education and support. The introduction of a dedicated Security Analyst has helped PSPS develop new standards and processes to combat increasing threats from cyber-attacks, along with offsite backups and file recovery systems in place. With the mitigations listed the service has reduced the impact from 5 to 4.

The remaining risks although reviewed remain static from Q3; 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 impact of business rate appeals and county council budget reductions, these risks remain the same as the NHS appeal is still ongoing and will not be altered until the outcome is determined, additionally there has been no further update from county council in regards to budget reductions.

The risk relating to the impact on the Council of the Homelessness Reduction Act remains static. The processes have been updated and the speed in handling homelessness cases within the service is improving as front line operational staff have adapted and built the appropriate networks. The knowledge base required for the role is in-depth and therefore training is on-going for the team which means the risk level has not changed.

The above assessment continues to be the Business as Usual position. The Housing Options Manager is currently working with the CIP Business Partner to review the service to take account of current service pressures and take account of future requirements.

With regards to the risk around GDPR implementation there is good progress being made with Audit recommendations and with the continued implementation of the Project Plan. Breaches appear to be reducing and further training of Data Champions has taken place. Provided we continue in this positive direction then it is anticipated that the risks may be deemed to be reduced by the next period.

Our contracts monitoring risk remains the same as last quarter as the service continues to maintain a watching brief in relation to Brexit developments and what impact this may have on our contracted supplier supply chains.

The risk around PSPS failure to deliver core services also remains stable as regular meetings are being held with the Service head at PSPS between both the client lead and service manager, to manage any performance issues. Both corporate and service specific SLA's have been agreed for 2019-20. Which aligns with the new corporate plan. Reviewed performance standards will be agreed and signed off for the coming year to align with the corporate plan

The risks surrounding the failure to effectively implement the corporate business continuity plans remain the same in this quarter although positive progress has been made which will likely see this risk reduce for next quarter, All Business Impact Analysis and Business Continuity Plans have been completed and reviewed by the Emergency Planning Officer but, have still to be tabled/signed off at the Emergency Planning Board.

As part of the annual review of risk, all risks currently sat on the strategic risk register will be reviewed by relevant directors and executive managers to ensure the register is accurate in what risks are captured, as well as relevant, Members will also recall that it was agreed a new risk covering the impact on the Council of emerging local and national policy, including Brexit' is added to the risk register for Q1 19/20, along with this risk any new risks will also be identified and added to the register to be reported to board for Q1 19/20.

2.0 Recommendation

2.1 That the contents of this report are noted

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
PSPS – Public Sector Partnerships Services
SLA's- Service level agreements
GDPR- General Data Protection Regulations
CIP- Corporate Improvement & Performance

Background papers:- None

Lead Contact Officer

Name and Post: Ross Bangs – Corporate Improvement & Performance Manager
Telephone Number: 07870835233
Email: ross.bangs@breckland-sholland.gov.uk

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 4 Risk Register