



# Cabinet

18 March 2020

**Report of:** Councillor Joe Orson - Leader of the Council

## Strategic Risk Register - six monthly review

<b>Corporate Priority:</b>	Service excellence in all we do
<b>Relevant Ward Member(s):</b>	
<b>Date of consultation with Ward Member(s):</b>	Choose date
<b>Exempt Information:</b>	No
<b>Key Decision:</b>	No
<b>Subject to call-in:</b>	No Not key decision

### 1 Summary

- 1.1 It is important that Cabinet are aware of the significant risks that face the Council and have ownership of the risk management arrangements in place and the activities that are being undertaken to mitigate those risks.
- 1.2 Risk Management forms part of the Audit and Standards committee terms of reference and have formal responsibility for overseeing the Risk Management arrangements for the Council.
- 1.3 This report outlines the current significant risks that have been captured on the recent review of the Council's strategic risk register by the Senior Leadership Team.

### 2 Recommendation(s)

- 2.1 That **Cabinet;**  
note the contents of this report and review the Strategic Risk Register attached at Appendix A.

### 3 Reason for Recommendations

3.1 One of the key areas for Cabinet, as part of its terms of reference, is to have awareness of the strategic risks that could impact on the Council and to review the risk management arrangements in place and the activities that are being undertaken to mitigate those risks.

### 4 Options Considered

4.1 An alternative option is that Cabinet do not review the Strategic Risk Register. This is not considered a viable alternative as it is essential that Cabinet have strategic oversight of the organisation.


### 5 Background

5.1 The Strategic Risk Register captures the current significant risks and outlines mitigating actions. Members of the Audit and Standards Committee last reviewed this in September 2019 when the current Risk Management Strategy was updated and approved.

### 6 Main Considerations

6.1 A copy of the Strategic Risk Register is attached as Appendix A. This consists of a Risk Matrix which plots the risks being managed at this level along with the actual register itself which includes the current and target risk score, along with further details for each risk such as potential consequences, the controls in place and any action required. Members will note there are currently 11 risks being monitored at this level – 3 high risks, 8 medium risks and 2 low risks.

6.2 In summary the top 5 key risks facing the council and commentary on the change in risk level since the last report are:

RISK	RATING	SCORE	MITIGATING ACTION/CHANGE
The council housing stock not being compliant with property health and safety standards	High	20 Previous Score (24) 	<ul style="list-style-type: none"><li>This is managed as a key corporate priority with appropriate levels of resources being allocated through the Housing Improvement Plan.</li><li>Regular monitoring of the Housing Improvement Plan for the compliance and quality of housing stock is managed through multiple governance structures such as board meetings, operational meetings which have senior leadership oversight.</li><li>Clear communication is undertaken with key stakeholders to ensure that progress is communicated regularly.</li></ul>

			<p>Since the last meeting Council Housing Health and Safety has improved following the approval of the Housing Improvement Plan which has allocated resources to support the improvements required alongside an upgrade to the housing system to support record management.</p>
<p>Failure to Secure financial stability in the medium term</p>	<p>High</p>	<p>20</p> <p>Previous Score (15)</p> <p>↑</p>	<ul style="list-style-type: none"> <li>• Savings options are identified and considered through review of the Corporate Delivery Plan. Prioritise spending plans that will generate savings in return.</li> <li>• Consider options for reducing failure demand e.g. prevention and demand reduction through service redesign.</li> <li>• Consider the CIPFA financial management code requirements once final version has been issued.</li> </ul> <p>Since the last meeting the risks around financial sustainability have increased due to the loss of funding from New Homes Bonus and the delay in the fair funding review and it should be noted that until we have some certainty this risk will remain high.</p>
<p>Non-compliance with General Data Protection Rules, records not being up to date, personal data being held on systems which is incorrect, lack of consistent data keeping</p>	<p>High</p>	<p>15</p> <p>New risk</p>	<ul style="list-style-type: none"> <li>• Focussed data protection training for high risk areas to be rolled out.</li> <li>• Records retention to continue to be reviewed and regularly rolled out. Information</li> <li>• Asset Register to be reviewed by managers on an annual basis.</li> <li>• Implement new IT systems and reconfigure resources in Corporate Improvement Team to support improved data retention on systems.</li> </ul> <p>Data Compliance and management is a new risk which has been added due to the concerns around record management which have come to light. This is linked to the issues</p>

			within the housing function and the need to upgrade our IT systems to improve the data management within the council.
Future provision of ICT services following end of current outsourced contract	Medium	12 ↔	<ul style="list-style-type: none"> <li>Consider outcome of review by Digital Consultant and agree way forward for Leicestershire Information Communication Technology Partnership as a result.</li> <li>Continue discussions with IT supplier and transition to any new arrangement.</li> </ul>
Failure of a key supplier	Medium	12 ↔	<ul style="list-style-type: none"> <li>Ongoing robust monitoring of key suppliers/contracts. Internal audit consultancy assignment commissioned to monitor the contract implementation for housing repair contract.</li> </ul>

6.3 Since the last meeting the keys point to note from the table above and the risks attached are:

- There was a risk around the impact of United Kingdom withdrawal from the European Union but this has reduced following the avoidance of a No Deal position; and the risk has been re-designated to consider the failure of the UK to agree a new deal with the EU post January 2021
- The other risk scores have remained the same as a number of actions are still being worked through and have a longer timeline for implementation of mitigating actions.

## 7 Consultation

7.1 Consultation has been undertaken with the Chair of the Audit and Standards Committee.

## 8 Next Steps – Implementation and Communication

8.1 None – The Council will continue to monitor and update the Strategic Risk Register as appropriate and will report back to members later in the year with a further update.

## 9 Financial Implications

9.1 There are financial implications from poor Risk Management however, with robust procedures these should be minimised or eradicated.

**Financial Implications reviewed by: Director for Corporate Services – 03.03.20**

## 10 Legal and Governance Implications

- 10.1 The Accounts and Audit Regulations 2015 Part 2 Section 3A(c) require the Council to have in place a 'sound system of internal control which includes effective arrangements for the management of risk'.
- 10.2 Failure to adequately address Legal issues arising from any activity of the Council increases risk. Officers endeavour to ensure Members are adequately advised and projects properly implemented to ensure that Legal requirements are met.

**Legal Implications reviewed by: Director for Governance & Regulatory Services – 04.03.20**

## 11 Equality and Safeguarding Implications

- 11.1 There are no direct equality or safeguarding issues arising from this report.

## 12 Community Safety Implications

- 12.1 There are no direct links to community safety arising from this report.

## 13 Environmental and Climate Change Implications

- 13.1 There are no direct environmental or climate change implications arising from this report.

## 14 Other Implications (where significant)

- 14.1 There are no other implications arising from this report.

## 15 Risk & Mitigation

- 15.1 All risks are outlined in the risk register in Appendix A

## 16 Background Papers

- 16.1 None

## 17 Appendices

- 17.1 Appendix A – Strategic Register March 2020

<b>Report Author:</b>	<b>David Scott</b> , Corporate Services Manager
<b>Report Author Contact Details:</b>	01664 502448 dscott@melton.gov.uk
<b>Chief Officer Responsible:</b>	<b>Dawn Garton</b> , Director for Corporate Services
<b>Chief Officer Contact Details:</b>	01664 502444 DGarton@melton.gov.uk