



**Governance and Audit  
Committee**

**Tuesday 12 January 2021**

**Subject: Bi-Annual Review of Strategic Risks (Jan 2021)**

Report by:

Director of Corporate Services and Monitoring  
Officer

Contact Officer:

Corporate Policy & Governance Manager &  
Deputy Monitoring Officer

Purpose / Summary:

To present to the Committee for review, the  
strategic risks facing the Council as at January  
2021

**Recommendations:** Members are asked to:

1. Consider the report and identify any additional risks of a strategic nature;
2. Be assured that current risk management controls and proposed actions are sufficiently robust.

## IMPLICATIONS

**Legal: None**

**Financial: FIN/117/21/TJB**

**Staffing: While this report considers the risks and implications of certain matters it does not in itself carry any staffing related implications.**

**Equality and Diversity including Human Rights: While this report considers the risks and implications of certain matters it does not in itself carry any equality and diversity related implications.**

**Data Protection Implications: While this report considers the risks and implications of certain matters it does not in itself carry any data protection related implications.**

**Climate Related Risks and Opportunities: While this report considers the risks and implications of certain matters it does not in itself carry any climate related implications.**

**Section 17 Crime and Disorder Considerations: While this report considers the risks and implications of certain matters it does not in itself carry any crime and disorder related implications.**

**Health Implications: While this report considers the risks and implications of certain matters it does not in itself carry any health related implications.**

**Title and Location of any Background Papers used in the preparation of this report :**

None.

**Risk Assessment: None**

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

**Yes**

**No**

**Key Decision:**

A matter which affects two or more wards, or has significant financial implications

**Yes**

**No**

## 1 Introduction

- 1.1 Strategic risks are considered as being those faced by the Council that, if materialised, would adversely impact the delivery of corporate priorities.
- 1.2 This approach reflects the guidance provided by the Association of Local Authority Risk Managers (ALARM). This body advocates that strategic risks should focus on the long-term objectives of the organisation, which can be affected by areas such as financial concerns, political risks, legal and regulatory changes and changes in the physical environment.
- 1.3 The Governance and Audit Committee review the strategic risks on a six-monthly basis.

## 2 Monitoring Arrangements

- 2.1 The strategic risks are presented to the Council's Management Team on a quarterly basis for review.
- 2.2 The Management Team are requested to review the risks, control measures and future actions to ensure that they remain sufficiently robust to mitigate the identified risks.
- 2.3 Where corrective action is required and/or additional risks are identified, the strategic risk register is updated accordingly.
- 2.4 Due to structural changes at management level, new risk owners have been assigned across the strategic risk portfolio.
- 2.5 During their reviews of the strategic risk register, no additional strategic risks have been identified by the Management Team to those last presented to the Committee. The strategic risks are presented in Appendix One.

## 3 Risk Matrix

- 3.1 To determine the potential severity of risks, the relationship between the **likelihood** of a risk materialising and its potential **impact** on the Council is explored with each factor assessed against a 1-4 scoring criteria. The following guidance is available to determine which scoring should be applied to an individual risk:

You should assign a number in the range 1-4 as follows:	
<b>Likelihood:</b> 1 = Hardly Ever (<5%) 2= Possible (5-35%) 3= Probable (35-75%) 4= Almost Certain (>75%)	
<b>1 = Negligible Impact:</b> <ul style="list-style-type: none"><li>• Minor service disruption</li></ul>	<b>2 = Minor Impact</b> <ul style="list-style-type: none"><li>• Service disruption</li></ul>

<ul style="list-style-type: none"> <li>• Minor Injury</li> <li>• Financial loss &lt; £250k</li> <li>• Isolated complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Loss time injury</li> <li>• Financial loss &gt;£250k - £500k</li> <li>• Adverse local media coverage</li> <li>• Failure to achieve a service plan objective</li> </ul>
<b>3 = Major Impact</b> <ul style="list-style-type: none"> <li>• Significant service disruption</li> <li>• Major/disabling injury</li> <li>• Financial loss &gt;£500k - £1m</li> <li>• Adverse national media coverage</li> <li>• Failure to achieve Corporate Plan objective</li> </ul>	<b>4 = Critical</b> <ul style="list-style-type: none"> <li>• Total service loss for a significant period</li> <li>• Fatality to employee, service user or other</li> <li>• Financial loss &gt;£1m</li> <li>• Ministerial intervention in running service</li> </ul>

3.2 Using this methodology enables each risk to be categorised as either low, medium or high in nature (see table below) and prioritisation as regards mitigations can be applied. For example a risk deemed to be probable in likelihood (3) that would have a minor impact on the Council (2) would receive an overall score of 6 and be rated as medium in nature.

Impact	Critical	4	8	12	16
	Major	3	6	9	12
	Minor	2	4	6	8
	Negligible	1	2	3	4
Likelihood		Hardly Ever	Possible	Probable	Almost Certain

3.3 Using the methodology, the Council's Risk Strategy (2019-2023) sets out the requirement for risk owners to score the current (inherent) risk and the target (residual) risk once mitigations have been applied.

#### 4. Points to Note

4.1 Covid19 - the pandemic has been a major disruptive force on the operations of the Council over the last nine months. Its impact has been felt across most, if not all Council operations, both front-facing and internal.

4.2 To reflect this, the impact of and response to the pandemic has been distributed across all relevant risks, as opposed to adding Covid19 as a separate individual risk entry. In fact, as the pandemic and its effects are currently very real, it has been treated as an issue rather than a risk. Consequently, the mitigating actions implemented across the Council to

minimise or cope with the impact of the pandemic, are highlighted throughout the register.

4.3 Brexit – a dis-proportionate reference has not been made of Brexit and its potential impact on the Council as it turns into 2021. At present, any anticipated direct and immediate impact on the Council has been identified as potentially affecting how the Council anticipates it will deal with:

- Emergency events i.e. the impact on the District of any overspill caused by haulage hold-ups at Humber ports;
- Data handling and the storage and processing of data on the part of suppliers hosting our data in the EU;
- Keeping a watching brief on any potential procurement related matters.