



**Governance and Audit
Committee**

28 September 2021

Subject: Review of Strategic Risks (September 2021)

Report by:	Assistant Director People & Democratic Services (Interim)
Contact Officer:	Assistant Director People & Democratic Services (Interim)
Purpose / Summary:	To present to the G&A Committee for review, the strategic risks facing the Council as at September 2021

RECOMMENDATION(S):

Members are asked to review the register and to consider:

- Do any additional risks of a strategic nature exist?
- Are current controls and proposed actions sufficiently robust?

IMPLICATIONS

Legal: None

(N.B.) Where there are legal implications the report **MUST** be seen by the MO

Financial: FIN/88/22/TJB

(N.B.) All committee reports **MUST** have a Fin Ref

Staffing: None

(N.B.) Where there are staffing implications the report **MUST** have a HR Ref

Equality and Diversity including Human Rights: None

NB: Please explain how you have considered the policy's impact on different groups (for example: young people, elderly, ethnic minorities, LGBT community, rural residents, disabled, others).

Data Protection Implications: None

Climate Related Risks and Opportunities: None

Section 17 Crime and Disorder Considerations: None

Health Implications: None

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

Strategy 2019-2023

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 assess the severity of potential risks, the Council uses the following matrix based on the relationship between the likelihood and impact of risks arising.

I m p a c t	Critical	4	8	12	16
	Major	3	6	9	12
	Minor	2	4	6	8
	Negligible	1	2	3	4
		Hardly Ever	Possible	Probable	Almost Certain
	Likelihood				

3.2 The following guidance is available to determine which classification is applied:

You should assign a number in the range 1-4 as follows:	
Likelihood: 1 = Hardly Ever (<5%) 2= Possible (5-35%) 3= Probable (35-75%) 4= Almost Certain (>75%)	
1 = Negligible Impact: <ul style="list-style-type: none"> • Minor service disruption • Minor Injury • Financial loss < £250k • Isolated complaints 	2 = Minor Impact <ul style="list-style-type: none"> • Service disruption • Loss time injury • Financial loss >£250k - £500k • Adverse local media coverage • Failure to achieve a service plan objective
3 = Major Impact <ul style="list-style-type: none"> • Significant service disruption • Major/disabling injury • Financial loss >£500k - £1m • Adverse national media coverage • Failure to achieve Corporate Plan objective 	4 = Critical <ul style="list-style-type: none"> • Total service loss for a significant period • Fatality to employee, service user or other • Financial loss >£1m • Ministerial intervention in running service

3.3 This methodology enables each risk to be categorised as either low, medium or high in nature and prioritisation as regards mitigations can be applied.

3.4 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 eighteen 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.

4.3 Brexit – a dis-proportionate reference has not been made of Brexit and its potential impact on the Council in 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 overflow caused by haulage hold-ups at East Coast 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

5. Recommendation

5.1 Members are asked to review the register and to consider:

- Do any additional risks of a strategic nature exist?
- Are current controls and proposed actions sufficiently robust?