

Report to: **Audit and Governance Committee**
Date of Meeting: 30 January 2020
Public Document: Yes
Exemption: None
Review date for release None



Subject: **Full Risk Review November / December 2019**

Purpose of report: Risk information for the 2019/20 financial year is supplied to allow the Audit and Governance Committee to monitor the risk status of Strategic and Operational Risks. This follows the full review of risks by responsible officers during November / December 2019

Recommendation: **That the Audit and Governance Committee considers the current status of risks following the full risk review undertaken in November / December 2019.**

Reason for recommendation: To ensure that the Risk Management Policy and Guidance is being followed and all risks are being monitored and control actions implemented.

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Financial implications: No direct financial implications

Legal implications: There are no direct legal implications

Equalities impact: Low Impact
Failure to identify, assess, monitor, review and manage risks could impact negatively (i.e. financial, reputational, operationally) on the council.

Risk: High Risk
Failure to identify, assess, monitor, review and manage risks could impact negatively (i.e. financial, reputational, operationally) on the council.

Links to background information:

- [Appendix A – Full list of Operational Risks November / December 2019](#)
- [Appendix B – Strategic Risks November / December 2019](#)

- [Appendix C – Explanations and definitions](#)

Link to Council Plan: Continuously improving to be an outstanding council

Report in full

1. As part of our corporate governance it is appropriate that we maintain and manage a risk register. The risk register allows us to highlight any risks to our organisation and set out how we are going to mitigate against their impact and likelihood.
2. Our risk management policy requires all risks identified by the council to be reviewed bi-annually. Through the month of November the risk owners were tasked with reviewing their risks in the SPAR system. The complete operational risk register is provided for the Committee to review at [Appendix A](#). This is listed by service area and includes all of the control actions. There are now 84 operational risks, all of which have been reviewed and re-scored in light of all mitigating actions being undertaken. All services were asked to highlight any new and emerging risks with no new risks being put forward at this review
3. In the operational risk register there is one risk currently scored as high.

The Council's income now relies on income from new homes bonus monies which is directly related to new house building in the district. There is a risk of lower growth than estimated - The Government have announced a review of NHB going forward and 2020/21 spending details have indicated that no legacy payments will be made on 2020/21 sums.

4. The tables below set out the number of risks in each service by score.

Finance	High	Medium	Low
Risks by score	1	1	10

Economy	High	Medium	Low
Risks by score		9	6

Housing	High	Medium	Low
Risks by score		15	5

Environment	High	Medium	Low
Risks by score		9	4

Governance & Licensing	High	Medium	Low
Risks by score		7	7

Organisational Development	High	Medium	Low
Risks by score		1	9

5. As part of this review our strategic risks have also been reviewed by their owners and are now submitted for Committee's consideration.

There are 11 risks on the strategic register with a new risk added at this last review.

- **New Risk: Retaining and strengthen a collective approach to decision making**
Retaining and strengthen a collective approach to decision making to ensure we avoid poor decision making affecting our performance and our reputation.
- **Adequacy of financial resource planning to deliver the Council's priorities**
Insufficient financial resources to deliver Council priorities as a consequence of: a) Failure of financial forecasting, budgeting, monitoring and reporting system resulting in insufficient financial resources and inadequate reserves b) Failure to use resources available effectively c) Reduction in government funding
- **Risk: Adequate emergency planning and business continuity**

A failure to adequately plan for emergencies and understand what issues arise in planning for business continuity could lead to a major service failure.

- **Risk: Delivery of Growth Point**
Delivery of Growth Point – Failure to delivery planned housing and business growth, including a successful and vibrant new town.
- **Risk: Failure to adequately protect staff health and safety at work**
Failure to protect staff appropriately could lead to serious injury and will expose the Council to reputation, legal and financial risks
- **Risk: Failure to ensure that our corporate property portfolio is fully compliant with legal requirements.** A failure to ensure our property portfolio is fully compliant with all health and safety and other legal requirements could lead to serious injury or litigation.
- **Risk: Failure to ensure the Council’s sustainability**
The failure to ensure that the Council is able to sustain its service provision in the long term and meet its priorities as set out in the Council Plan could lead to financial and reputation loss and impact on our communities.
- **Risk: Increased homelessness**
Failure to meet our statutory obligations for homelessness applications including securing suitable and cost effective temporary accommodation. Poor homelessness decisions risk legal challenge, reputational damage and disadvantage applicants.
- **Risk: Major disruption in continuity of computer and telecommunications services**
Major disruption in continuity of computer and telecommunications facilities to the detriment of service delivery including Cyber-attack
- **Risk: Office Relocation**
Not relocating would mean the continued high cost of management and maintenance of Knowle Offices. Increasing inefficiency of current accommodation and reducing capacity to deliver improving services, modern working practices and performance improvements. Challenged ability to maintain high quality services and projects in a time of reducing funding and resources.
- **Risk: Brexit**
With the on-going Brexit negotiations and the uncertainties around our deal to leave the EU there implications for us to deal with including the loss of direct EU funding, uncertainty around the impact on inward investment, effects on business rate income, possible increases in demand pressures, the effects on our investments and borrowing, possible impact on pension fund deficits and the effects on supply of labour.

These are all scored in in the medium or low range with none currently showing as high risk. More details for each risk can be seen in [Appendix B](#).

Strategic Risks	High	Medium	Low
<i>Risks by score</i>		9	2

6. An explanation and definitions of these risks including the risk matrix can be found in [Appendix C](#).