

Audit Committee
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Strategic Risk Update

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Portfolio: Transformation and Organisational Development

Ward(s) Affected: None

Purpose of the Report:

The purpose of this report is to provide an overview of the current position of the Strategic Risk Register and approach for Broadland District Council.

Recommendations:

1. Review and note the Strategic Risk Register for the Council.

1 SUMMARY

- 1.1 This report provides the committee with an update and overview of the current position in terms of strategic risk for Broadland District Council.

2 BACKGROUND

- 2.1 The Risk Management Policy sets out the approach for the Council in terms of how it will identify, manage, reduce and mitigate risks of all levels to the organisation.
- 2.2 To facilitate the management of risk throughout the organisation, the Council maintains a system of risk registers. The risks are identified through the Corporate Leadership Team's (CLT) assessment of the risks to the delivery of the Council's Strategic Plan and Delivery Plan. The Strategic Risk Register records the strategic risks faced by the Council. Attached to this report is the latest update of the Strategic Risk Register.
- 2.3 The Strategic Risk Register now forms part of the Council's quarterly (reported formally to Cabinet three times a year in Q2, Q3 and Q4) performance, risk and finance reports. The register is a document which is reviewed on a regular basis and subject to change depending upon the current circumstances in which the Council is operating.
- 2.4 As set out in the Policy, Cabinet has ultimate responsibility for:
- Setting the culture for risk management at the Council
 - Approving the Policy
 - For developing and approving Risk Appetite
- 2.5 Detailed oversight of the risk management process is delegated to the Audit Committee, who are responsible for scrutinising the scope and effectiveness of the risk management systems in place.
- 2.6 In developing the Strategic Risk Register, CLT are responsible for identifying, evaluating and reporting on significant strategic risk faced by the Council. Strategic risks are risks that are significant in size, impact and duration and could impact on the performance of the Council as a whole. This may include operational risks escalated from particular services to the leadership level due to the potential scale of their impact.
- 2.7 Risks in the Strategic Risk Register are assessed for both their likelihood (on a scale of 1-5) and their impact if they were to happen (on a scale of 1-5), which are then combined to give each risk a severity score. Once all ongoing and planned mitigating actions are taken in consideration, each risk's "residual severity score" is recorded. The higher the severity score, the more significant the risk is.
- 2.8 Alongside the Strategic Risk Register, each directorate across the Council manages their Directorate Risk Registers. Directorate Risk Registers detail the more operational risks to the organisation and are the responsibility of the Director

and Assistant Directors in that directorate to manage. If a risk on a Directorate Risk Register scores a high severity score above our risk appetite as a Council, this will be escalated to the Strategic Risk Register and reported to Cabinet and the Committee.

2.9 There is also support, guidance and templates on identifying and managing risk (including project risk) available on our internal intranets for staff, as well as risk training available on our training platform; SkillsGate.

3 CURRENT POSITION/FINDINGS

3.1 CLT have reviewed and updated the Strategic Risk Register to ensure we are managing the risks effectively and that we are taking the right action to prevent the risk from escalating and ultimately reduce the risk where possible. As part of reviewing the register, CLT have taken into consideration:

- Whether risks are still relevant
- Any emergent risks which have been identified
- Whether the likelihood and impact of risks has changed
- Whether controls which are in place are still effective

3.2 The below heatmap provides an overview of the current risk register with the risks which are being managed at a strategic level. A full version of the Strategic Risk Register can be found in Appendix 1. The most recent update of the register was in January 2023. CLT are currently reviewing the register to make further updates ahead of the next Cabinet meeting where the Q3 Performance, Risk and Finance report will be presented.

Risk Scoring Matrix		1	2	3	4	5
		Insignificant	Minor	Moderate	Significant	Severe
5	Expected				BDCP1 – Nutrients Neutrality Impact	
4	Highly Likely				BDC M4 - One Team Capacity and Capability	
3	Likely			BDCM3 – Collaborative Working BDCGE1 – Regulatory Functions	BDCM2 – Reform and Devolution <New> BDCS14 – Cost of Living Crisis	BDCM5 – Successful Cyber Attack BDCS12 – Ukrainian Refugee Safeguarding <New> BDCS13 – housing demand <New> BDCP2 Gypsy/Traveller site identification
2	Not Likely					
1	Rare					BDCM1 - Financial

3.3 In CLT’s most recent review of the register, three new risks have been identified and added:

- BDCSI3 - risk of insufficient private and social housing stock to meet growing demand on the Council and Temporary Accommodation
- BDCP2 - the inability to find Gypsy and Traveller sites to meet the need and enable the Greater Norwich Local Plan to be found sound
- BDCSI4 – impacts on demand for council services as a result of the cost of living crisis

3.4 These risks are new to the organisation, therefore an update on mitigating actions will be brought forward to Cabinet in the Q3 Performance, Risk and Finance reports.

3.5 One risk has had its score changed:

- BDCM4 - Capability and capacity does not meet organisational requirements. This risk score has increased from 12 to 16 due to current market pressures and the retention and recruitment risks this brings to the organisation.

3.6 Two risks have been either de-escalated or closed in 22/23 to date:

- BDC SI1 - The Council is unable to respond effectively to further waves of the Covid-19 Pandemic. Risk was de-escalated to People and Communities Directorate Risk Register as it is within our risk appetite.
- BDC A1- Our ICT Infrastructure fails due to running old infrastructure at near capacity with intention of increasing the load. Delay in our new Infrastructure project due to global shortage in switches. Risk was closed due to mitigating actions being implemented.

3.7 Alongside the Strategic Risk Register, teams are also managing operational risk within their Directorate Risk Registers. At present, there are 53 risks identified on these registers and being managed by Directors and Assistant Directors. As and when Directorates identify the need to escalate these risks, they will appear on the Strategic Risk Register for CLT to manage.

4 PROPOSED ACTION

4.1 The Strategic Risk Register, alongside the Directorate Risk Registers will continue to be managed and reviewed into the next quarter. An update on the Strategic Risk Register will be brought forward to Cabinet as part of the Q3 Performance, Risk and Finance reports.

4.2 Moving forward, options are being reviewed for further training of staff across the One Team on identifying and managing risk, aiming to compliment the Policy and Guidance which has been developed to date. This involves conducting a training matrix for each level of the organisation to ensure the right level of training and knowledge sharing is being provided.

5 OTHER OPTIONS

5.1 None.

6 ISSUES AND RISKS

- 6.1 **Resource Implications** – each risk has associated resources aligned to each action.
- 6.2 **Legal Implications** – no implications.
- 6.3 **Equality Implications** – no implications.
- 6.4 **Environmental Impact** – no implications.
- 6.5 **Crime and Disorder** – no implications.
- 6.6 **Risks** – no implications.

7 **RECOMMENDATIONS**

1. Review and note the Strategic Risk Register update for the Council.