

<b>Report To:</b>	<b>CABINET</b>
<b>Date:</b>	<b>7<sup>TH</sup> DECEMBER, 2021</b>
<b>Heading:</b>	<b>CORPORATE RISK UPDATE</b>
<b>Portfolio Holder:</b>	<b>COUNCILLOR DANIEL WILLIAMSON, PORTFOLIO HOLDER FOR CUSTOMER SERVICES, CORPORATE CHANGE AND DIGITAL TRANSFORMATION</b>
<b>Ward/s:</b>	<b>ALL</b>
<b>Key Decision:</b>	<b>NO</b>
<b>Subject to Call-In:</b>	<b>NO</b>

### **Purpose of Report**

For Cabinet to review the Corporate Risk Register and the analysis of movement in risk and mitigating actions in respect of those risks.

### **Recommendation(s)**

- **To note the current significant items on the Register and to consider whether any further immediate actions are necessary to mitigate those risks.**

### **Reasons for Recommendation(s)**

To prioritise and manage the mitigation of Risk in order that the Council can achieve its objectives.

### **Alternative Options Considered**

*(with reasons why not adopted)*

None

## **Detailed Information**

All organisations are required to consider potential risks which may impede the delivery of corporate objectives. Effective risk management processes strengthen the ability of the Council to react to all situations and protect its own interests and those of the district, ensuring essential service delivery, through actively managing and mitigating risk effectively and innovatively. The management of risk forms an integral part of the Council's business. Effectively managing our risks means that we can maximise opportunities and minimise the costs and disruption to the Council which may possibly be caused by undesired events.

All strategic risk at corporate and service level is incorporated into the Pentana performance system to enable quarterly updates at the same time as updating performance, therefore enhancing the consideration of risk in the delivery of services.

All levels of risk are discussed bi-annually in detail with each service manager as a standing agenda item for Performance Boards, led by the Chief Executive and Assistant Director – Corporate Services and Transformation.

In summary, despite the impacts of the pandemic, overall, the current corporate risk position indicates the positive management of risk:-

- 75% of corporate risks have been effectively managed without an increase in risk assessment rating over the last 12 months
- Positively, 21% of corporate risks have been effectively managed and mitigated with a reduction in risk assessment rating over the last 12 months

This is a significant improvement on our year-end position.

### **Corporate Risk Register**

The Corporate Risk Register (position as at mid-November 2021) is appended to this report.

#### Analysis of risks - Risk Rating Summary

	2014/15 Qu4	2015/16 Qu4	2016/17 Qu4	2017/18 Qu4	2018/19 Qu4	2019/20 Qu4	2020/21 Qu4	2021/22 Qu 2
Significant	10	10	9	7	4	12	9	9
Medium	9	7	6	10	10	12	13	12
Low	7	5	2	3	6	4	2	4
Total	26	22	17	20	20	28	24	25

The total number of Corporate Risks have reduced over the last 18 months, returning to similar levels pre-pandemic, since the increase in risks at year-end 2019/20, mostly associated with those related to the pandemic. There has also been a reduction in significant rated risks over the same period.

Those risks which remain significant are:-

- Sustainability of HRA business plan to invest in current and new stock.  
There is ongoing work to understand the cost implications of new regulations.

- Having an adopted LDF/Local Plan  
Local Plan consultation was published on 4<sup>th</sup> October 2021. The Local Development Scheme was also published. Consultation closes on 16<sup>th</sup> November 2021. All responses submitted as part of the consultation will be considered and analysed to inform the next stage.
- Ability to meet statutory obligation process timescales (eg gas servicing)  
Due to the Coronavirus Pandemic a number of changes have been made to the Property Health and Safety Check / Service processes to adapt to the current situation. As a consequence of the Government's guidelines on social distancing / shielding and self-isolation periods etc. there will be a number of gas services which have not been completed prior to the anniversary date. This is following the decision not to follow our usual processes to gain entry into a property whereby a Tenant does not wish to allow access to their home due to their interpretation of the Government's guidelines in relation to social distancing and shielding etc. We will also not enter a property where a Tenant has tested positive or is self-isolating due to symptoms etc.
- Planning appeals  
Planning appeals are continuously monitored. We are currently awaiting the outcome of the Ashlands Rd appeal which will influence risk moving forward. Officers work with members to inform them of the impacts of decision in terms of both costs and also potential interventions if performance targets are not met. We are still contesting the costs for the Millers way appeal as this has a significant economic impact
- Ability to comply with the regulatory regime set out by the Regulator of Social Housing  
The controls have been reviewed and remain the same. A white paper action plan is in place to manage this risk
- Workforce planning – inability to recruit and/or retain filled position to critical posts.  
Vacancies, recruitment and retention to critical posts including use of Market Supplements Policy continues to be monitored. At October 21, 2% of full establishment identified as embedded hard to recruit critical posts.

Work continues with LGA to support managers in exploring and implementing workforce planning strategies involving succession planning, apprentices, graduates, 'grow your own' temporary and long-term use of external capacity and expertise.

Project initiated to review current approaches to recruitment and selection to enhance Council as an Employer of Choice.

Due to national labour shortages and pressures affecting all markets at all levels, East Midlands Councils have reintroduced the Pay and Rewards working group to support Council's in underpinning their workforce plans. Additionally, the Council has commissioned an external sense check of its pay and rewards structure against current/projected market changes and also equality proofing.

- Potential impact on resource levels and capacity due to covid  
Current level to be maintained with restrictions lifted on the 19<sup>th</sup> July and revised isolation rules in August. Currently the Delta variant is a more contagious strain of COVID-19 which is impacting on Covid cases and currently Ashfield does have above average number of cases whilst this is currently manageable it is kept under review.

- Temporary Accommodation – sufficient units to meet demand  
Added capacity being worked on for peak winter months

A **new risk** which has been added to the Corporate Risk Register and assessed as significant: -  
Legal Services – Lack of Staffing Resources and Disruption Caused by Exiting Shared Service

### Other risks

**Project related risks**- continued to be managed by both internal and external project managers and where the risk is close to or exceeding the tolerances acceptable then these are referred to the project sponsors for input. A risk register is required for each project and the project management framework is to be used as guidance for the management of all projects.

**Fraud Risks** – An Anti-Fraud and Corruption Project Group has been set up and is chaired by the Director, Legal and Governance and has a selection of stakeholders from across the Council including a representative from The Central Midlands Audit Partnership. The group has been set up to monitor and report on fraud related risks. The group meets every 3 months and the Risk Register was reviewed most recently on 16 November 2021.

**Programme Risks** - The risks related to programs are managed by each program board that has been established. A separate Towns Fund risk register has been established and the Programme Risk Register will be reviewed by the Discover Ashfield Board.

**Service Level Risks** – These are managed by each individual Service Manager and where there are tolerances expected to be exceeded beyond the levels set out in the Risk Appetite Framework then these are to be referred for discussion with the relevant Service Director who will then decide if these need to be included in the Corporate Risk Register. It may be that additional measures can be implemented in order to manage the risk and reduce the likelihood and impact.

### Implications

#### Corporate Plan:

Effective risk management will enable the delivery of corporate and service level priorities, particularly ensuring our people, structures, systems, processes and practices are ‘fit for purpose’ and remove barriers to improvement and growth.

#### Legal:

No direct legal implications in respect of the recommendations in the report. Legal and Governance risks are outlined in the report and in the Corporate Risk Register. [RLD 17/11/2021]

#### Finance: [PH 26/11/2021]

Budget Area	Implication
General Fund – Revenue Budget	

	There may be resource implications to the improvement or mitigation of risk. Financial risks are incorporated into the Corporate Risk Register.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

**Risk:**

Risk	Mitigation
Lack of an effective risk management framework could result in the organisation having a poor understanding of the major obstacles or blockages that could potentially impact upon its ability to maximise the delivery of its objectives and provision of services to customers	<ul style="list-style-type: none"> <li>• Make risk management part of normal business and therefore incorporate within all decision making processes, including key project delivery.</li> <li>• Integrate risk management into the culture of the Council and cascade awareness through all levels of leadership and beyond.</li> <li>• Ensure the organisation has a clear understanding of its risk maturity level and is taking steps towards improving this to a desired level.</li> </ul>

**Human Resources:**

There is a need to ensure that service managers are clear with regards to the Corporate Risk Strategy and the requirement to follow the consistent processes contained therein. Risk Management training is a priority and refresher training is currently being scheduled for Members and Officers.

**Environmental/Sustainability**

*(to be completed by the author)*  
*No direct implications*

**Equalities:**

*(to be completed by the author)*  
*No direct implications*

**Other Implications:**

*(if applicable)*

**Reason(s) for Urgency**

*(if applicable)*

None

**Reason(s) for Exemption**

*(if applicable)*

None

**Background Papers**

*(if applicable)*

Detailed Corporate Risk Register – Quarter 2 Position 2021/22

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**Sponsoring Service Director (if report from others)**

Craig Bonar – Director, Resources and Business Transformation