Ashfield
DISTRICT COUNCIL

Report To:	**CABINET**
Date:	**17 JUNE 2024**
Heading:	**CORPORATE RISK – YEAR-END POSITION 2023/2024**
Executive Lead Member:	**LEADER**
Ward/s:	**ALL**
Key Decision:	**NO**
Subject to Call-In:	**NO**

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 Corporate Risk 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

None. In accordance with the Corporate Risk Strategy, it is the role of Cabinet to monitor the Council's risk management and internal control arrangements, as part of the established quarterly monitoring and to recommend action where necessary.

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 Assistant Director as a standing agenda item for Performance Boards, led by the Chief Executive and Assistant Director – Policy and Performance.

In summary, overall, the current corporate risk position indicates the positive management of risk in 2023/24: -

- **A total of seven risks have been removed from the Corporate Risk Register in the last 12 months.**
- **All of the remaining corporate risks have been effectively managed without an increase in risk assessment rating in the last 12 months.**
- **Positively, 38% of corporate risks have been effectively managed and mitigated with a reduction in risk assessment rating in the last 12 months.**

Corporate Risk Register

The Corporate Risk Register (position as at end March 2024) is appended to this report.

Analysis of risks - Risk Rating Summary

	2016/17 Qu4	2017/18 Qu4	2018/19 Qu4	2019/20 Qu4	2020/21 Qu4	2021/22 Qu4	2022/23 Qu 4	2023/24 Qu4
Significant	9	7	4	12	11	7	7	5
Medium	6	10	10	12	12	7	6	8
Low	2	3	6	4	10	2	0	2
Total	17	20	20	28	33	16	13	15

The total number of Corporate Risks had previously increased significantly throughout the pandemic (2019 – 2021); however, our level of corporate risk has reduced since coming out of the pandemic. There has been an increase of two additional risks compared to March 2023, these new risks are detailed in the report.

There is a continued review of our corporate risk in alignment with the Corporate Risk Strategy and Risk Appetite Framework, and as such, several risks which were deemed low level or mitigated were removed from the Corporate Risk Register during 2022/23, some of which are now monitored at service level.

Those corporate risks which remain significant are: -

- Ability to meet statutory obligation process timescales (e.g. gas servicing). Following the introduction of a new servicing contractor we are experiencing a very challenging period in terms of contractor performance. We are also still encountering numerous difficult to access properties who are reluctant to provide access to their home for these essential services to be completed. This risk therefore remains significant.

- Ability to comply with the regulatory regime set out by the Regulator of Social Housing - Work continues to be undertaken across the Operations Directorate (Housing) to ensure we meet the requirements of the Regulator of Social Housing and prepare for forthcoming inspections. An action plan is also in place, however whilst there are ongoing actions to be completed, this risk remains significant.
- Workforce planning – inability to recruit and/or retain filled positions to critical posts. An LGA facilitated Workforce Planning review and action planning are now being undertaken by all services involving identification of the use of different approaches such as graduates, apprentices, growing our own, and work shadowing job redesign.

  Digital Services are also participants in a separate National LGA facilitated Programme to review and assess approaches to help mitigate the significant challenges with digital and ICT recruitment.

Two new risks, assessed as significant, have been added to the Corporate Risk Register recently: -

- Failure to comply with the provisions of the Procurement Act 2023 - The new Act comes into force in late October 2024. Failure to comply could result in potential claims against the Council from procurement bidders, intervention from the Procurement Review Unit at the UK Cabinet Office as well as reputational damage to the Council. All staff involved in procurement are undertaking intensive training through the UK Commercial College and this is being managed and monitored. Internal processes are also being developed in which to manage the provisions of the new Act.
- Northern Depot – condition of buildings and ability to adapt to changes in fleet energy requirements has the potential to impact on the delivery of key Council services such as waste collection, grounds maintenance and housing repairs. Monthly assessment by structural engineers with recommended mitigations has been implemented, this currently includes scaffolding to the roof of the two main buildings. A project is underway to consider the Depot site including necessary repairs or construction of replacement facilities to be able to deliver future service requirements e.g. the new Environment Act which will impact on waste and recycling collections.

Other risks

Project related risks- continue 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 and is in place 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 Corporate Resources Director (S151 Officer) and has a selection of stakeholders from across the Council including a representative from the Central Midlands Audit Partnership (CMAP). The group has been set up to monitor and report on fraud related risks. The group meets every 3 months.

Programme Risks - The risks related to programmes are managed by each programme board that has been established. A separate Towns Fund risk register has been established and the Programme Risk Register is reviewed by the Discover Ashfield Board.

Service Level Risks – These are managed by each individual Assistant Director/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 Executive 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 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. Governance risks are outlined in the report and in the Corporate Risk Register. [RLD 29/05/2024]

Finance: No direct financial implications arising from this report. [PH 29/05/2024].

Budget Area	Implication
General Fund – Revenue Budget	No direct financial implications arising from this report. 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.	• Make risk management part of normal business and therefore incorporate within all decision-making processes, including key project delivery. • Integrate risk management into the culture of the Council and cascade awareness through all levels of leadership and beyond. • Ensure the organisation has a clear understanding of its risk maturity level and is taking steps towards improving this to a desired level.

Human Resources:

There is a need to ensure that Assistant Directors 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 online refresher training has been designed and is currently being scheduled for Members and Officers. [KB 30/05/2024]

Environmental/Sustainability:

No direct implications

Equalities:

No direct implications

Other Implications:

Not applicable

Reason(s) for Urgency

Not applicable

Reason(s) for Exemption

Not applicable

Background Papers

Detailed Corporate Risk Register – Quarter 4 2023/24

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