

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

29 June 2022

Risk Management

Report of the Managing Director

Classification: This report is public
Report By: Lee Hickin, Managing Director
Contact Officer: Lee Hickin, Managing Director

PURPOSE / SUMMARY

- To update Members of the Audit and Corporate Governance Scrutiny Committee of the current position regarding Risk Management arrangements and the Strategic Risk Register as at June 2022.
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RECOMMENDATIONS

1. That the Audit and Corporate Governance Scrutiny Committee notes the report and Strategic Risk Register as at June 2022 as set out in **Appendix 1**.

Approved by the Portfolio Holder – Councillor Paul Parkin

IMPLICATIONS

Finance and Risk: Yes No

Details:

There are no additional financial implications arising out of this report. Whilst, where appropriate, additional mitigation measures have been identified and implemented during the course of preparing the Strategic and Operational Risk Registers, the cost of implementing this mitigation will be met from within previously agreed budgets. Risk Management Issues are covered throughout the body of the main report.

On Behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

There are no legal or data protection issues arising directly out of this report.

On Behalf of the Solicitor to the Council

Staffing: Yes No

Details:

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

Decision Information	
Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Significantly Affected	None
Consultation: Leader / Deputy Leader <input type="checkbox"/> Cabinet <input checked="" type="checkbox"/> SAMT <input checked="" type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes

Links to Council Plan (NED) priorities or Policy Framework including Climate Change, Equalities, and Economics and Health implications.

None.

REPORT DETAILS

1 **Background**

- 1.1 Audit and Corporate Governance Scrutiny Committee have previously endorsed the Council's Risk Management Strategy which was then approved by Cabinet in March 2020. The Strategy includes but is not limited to the following;
- The nature of 'risk' both the 'threats' and the 'opportunities'
 - The benefits of a robust risk management approach
 - The Council's risk appetite
 - Risk categorisation – *Operational, Governance, Strategic*
 - Project and Partnership risk
 - The Council's risk management approach and arrangements including a new 'Risk Management Group'
 - Roles and responsibilities including *Senior Risk Officer* and *Senior Information Risk Officer* (SRO and SIRO)
- 1.2 The Strategy also details the work of a 'Risk Management Group'. This is elected Member led and includes the Councils Senior Risk Officer (SRO), Senior Information Risk Officer (SIRO), S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group provides a comprehensive oversight of risk throughout the organisation and is the conduit to and from the whole organisation in terms of risk management.
- 1.3 The group 'regularly' and 'consistently' oversee, all of the risk registers ensuring they are up to date and accurate whilst offering challenge to the assessment process itself. It is responsible for risk management reporting to stakeholder groups across the Council, including this Scrutiny Committee and supports the production of the Annual Governance Statement. The group leads on the development and review of all risk related policies, plans and strategies across the Council and oversees and champions the implementation of the Risk Management Strategy and associated action plan including training 'relating to' and the 'embedding of' an effective risk management culture.

Update of the Risk Management Group held on 25 May 2022

1.4 Review of Strategic Risk Register

The RMG discussed and reviewed the Strategic Risk Register and agreed that 'Cost of Living' would be included in the Strategic Risk Register.

Plan3: It was suggested that the risk of refusing planning applications should be raised to a strategic risk from an operational one currently held within the Planning Operational Risk Register. This is due to the potential consequence of these upon the organisation (see 1.5 of this report).

STR5: Recruitment and Retention. Meeting to be held to discuss a 'talent pipeline' (grow our own) e.g. apprenticeships, interns, volunteers, graduates, school leavers etc.

The Internal Audit Manager informed the RMG that Cipfa acknowledged the difficulty in recruiting to senior posts.

The RMG signed off the Strategic Risk Register.

1.5 Review of Planning Operational Risk Register

At the meeting the AD - Planning presented the Planning operational risks.

Discussion focussed on **Plan3: Refusals of planning consent being issued based on non-evidenced decisions with potential for reputational and financial loss.**

The inherent risk score had been increased to 25 based upon the potential consequence, including financial and reputational and the possibility of sanctions from government.

Training had been provided to Planning Committee members and will continue to be provided. Cllr Parkin stressed the need to minimise/mitigate the risk.

The RMG agreed that Plan3 should be elevated to the Strategic Risk Register.

The Internal Audit Manager asked if S106 agreements were included and the risk of not spending funding within timescale. R Purcell advised that a report was being prepared to go to Audit Committee in July 22 in relation to this and was happy to add to the operational risk register along with mitigations.

Plan5: Failure to recruit to vacant posts.

Currently still have 5 vacant posts within the service.

Plan6: Continued use of external support on expired contracts.

Work was underway with Procurement on a new framework and a further tender exercise would be undertaken.

The Information, Engagement and Performance Manager reminded the RMG that publishing personal data was a risk.

1.6 New or Emerging Risks Identified

The following new or emerging risks were identified:

- Rising cost of living generally and the impact upon our organisation and communities.
- Homelessness specifically in relation to cost of living increases and Ukrainian guests.

- Climate change agenda.
- Shortage of chemicals e.g. chlorine for swimming pools. Currently NEDDC stocks were good. NEDDC had been collaborating/sharing with partners. There was a potential financial and reputational risk of swimming pools closing.
- Risk to STR6 – (*Delivery of major initiatives and key projects whilst implementing a range of new government reforms against a backdrop of challenging financial targets and maintaining service quality*) due to short timescales to submit bid applications, there is a danger of completing too quickly and inaccurately. It was suggested that use of a standard template would help mitigate the risk. The Information, Engagement and Performance Manager and AD, Economic Development and Regeneration would progress.

1.7 **Insurance Claims / Legal Claims**

- The AD, Finance and Resources, advised that no major insurance claims had been made.
- There had been an increase in damage to other peoples' property e.g. bin wagons damaging cars. AD, Finance and Resources to raise with the AD Street Scene.

1.8 **Health and Safety Update**

The Health and Safety Manager provided an update:

- NEDDC has achieved Gold Rospa award for third year running in respect of its H&S activity and arrangements in place.
- The H&S team are continuing to progress income generation opportunities with other local authorities.
- New violent incident reporting form now available on the extranet.
- Housekeeping at Mill Lane; The Health and Safety Manager advised there were still a few areas in Mill Lane that required attention due to the amount of paper that was still stored e.g. archive store on the ground floor. The Health and Safety Manager requested a final attempt to clear this area up. The Interim AD, Property, Estates and Assets suggested that a member of the facilities team identify which service area the offending paperwork belongs to. The Health and Safety Manager welcomed this offer. This was considered to be a minimal fire risk.

The Health and Safety Manager also raised concern that the Health & Safety team had not been able to gain access to some secure areas e.g. HR confidential store. The Managing Director commented that the Health & Safety team should be allowed accompanied access to check secure areas. The Health and Safety Manager would visit Mill Lane on 26 May and visit the HR secure area with the Managing Director.

The Information, Engagement and Performance Manager advised that the only reasons for keeping paperwork was for either legal or business reasons.

The Joint AD, Environmental Health suggested this was raised through SMT.

1.9 **2022/23 Internal Audit Plan**

The Internal Audit Manager presented the 2022/23 Internal Audit Plan which had been discussed at SMT. Due to a lack of resources Audit would be focussing on higher risk areas. Audit would align with the risk management approach.

1.10 **Emergency Planning / Business Continuity Planning**

The Director of Growth and Assets provided an update:

- Veolia emergency exercise; the AD - Leisure had attended to represent NEDDC since Killamarsh Leisure Centre was within the planned exclusion zone.
- The new Emergency Planning Officer – Adam Ballard, was now in post.
- All strategic Emergency Planning and Business Continuity documents currently being refreshed.
- Adam is also working on a 'time plan' for business continuity incidents based upon the Operation London Bridge format – specific 'who does what, when and how' detail. Updated documents would be presented to SMT and the RMG.

2. Details of Proposal or Information

- 2.1 To update Members of the Audit and Corporate Governance Scrutiny Committee of the current position regarding Risk Management arrangements and the Strategic Risk Register as at June 2022.

3 Reasons for Recommendation

- 3.1 The Council have in place a robust Risk Management Strategy and action plan which enables the organisation to manage the many and varied risks facing the Council. The approach to managing those risks is applied within decision making processes and is continuous with a structured review process overseen by the Risk Management Group.
- 3.2 The Risk Management Group is elected Member led and includes the Councils Senior Risk Officer (SRO), Senior Information Risk Officer (SIRO), S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group provides a comprehensive oversight of risk throughout the organisation and is now becoming the conduit to and from the whole organisation in terms of risk management. The Risk Management Group is now able to provide risk management reporting to stakeholder groups across the Council and will support the production of the Annual Governance Statement.

3.3 The Risk Management Group have made significant progress in ensuring that risk is effectively managed within the organisation. By leading on the development and review of all risk related policies, plans and strategies across the Council, the Risk Management Group will provide consistency of approach and alignment of all service areas in relation to risk management. By overseeing and championing the implementation of the Risk Management Strategy and associated action plan including training ‘relating to’ and the ‘embedding of’ an effective risk management culture, the Risk Management Group will be pivotal in the organisations future success.

4 Alternative Options and Reasons for Rejection

Under relevant good practice and to facilitate the development of robust managerial arrangements the Council is required to prepare a Strategic Risk Register as part of its risk management framework. This report is intended for Members and Officers to consider both the Strategic Risk Register, together with the Council’s wider framework for managing risk and partnerships. Given the importance of these arrangements for the overall governance of the Council it is necessary to subject them to regular review. The alternative of not providing this is therefore rejected.

DOCUMENT INFORMATION

Appendix No	Title
1	Strategic Risk Register as at 14 June 2022
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) you must provide copies of the background papers)	
Service Area Operational Risk Registers	