

**North East Derbyshire District Council**

**Audit and Corporate Governance Scrutiny Committee**

**15 February 2023**

**RISK MANAGEMENT**

**Report of the Managing Director**

**Classification:** This report is public

**Report By:** Lee Hickin, Managing Director

**Contact Officer:** Lee Hickin Managing Director

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**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 February 2023.

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**RECOMMENDATIONS**

1. That the Audit and Corporate Governance Scrutiny Committee notes the report and Strategic Risk Register as at February 2023 as set out in **Appendix 1.**

Approved by the Portfolio Holder – Cllr Paul Parkin

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**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.

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On Behalf of the Section 151 Officer

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**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

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**Staffing:** Yes  No

**Details:**

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

On behalf of the Head of Paid Service

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## DECISION INFORMATION

Decision Information	
<b>Is the decision a Key Decision?</b> 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:  <b>NEDDC:</b> <b>Revenue - £100,000</b> <input type="checkbox"/> <b>Capital - £250,000</b> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>District Wards Significantly Affected</b>	None
<b>Consultation:</b> <b>Leader / Deputy Leader</b> <input type="checkbox"/> <b>Cabinet</b> <input checked="" type="checkbox"/> <b>SMT</b> <input checked="" type="checkbox"/> <b>Relevant Service Manager</b> <input type="checkbox"/> <b>Members</b> <input type="checkbox"/> <b>Public</b> <input type="checkbox"/> <b>Other</b> <input type="checkbox"/>	Yes

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**Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.**

None

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## REPORT DETAILS

### 1 **Background**

1.1 Audit and Corporate Governance Scrutiny Committee have previously endorsed the Council's Risk Management Strategy 2020 and more recently the updated Risk Management Strategy 2022 which was then approved by Cabinet in September 2022. The current 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.

#### 1.4 **Update of the Risk Management Group held on 23 January 2023**

##### Minutes of Last Meeting / Matters Arising

The minutes of the meeting held on 1 September 2022 were agreed.

##### Matters Arising:

- Insurance/Legal Claims. Suggestion of photos being taken when inspections were carried out. Director of Finance and Resources to check progress.

- Review of Rykneld Homes Operational Risk Register. Item deferred to next meeting. Director of Finance and Resources to ensure RH's attendance.
- Risk of Fraud. Director of Finance and Resources to forward Fraud and Corruption Action Plan for inclusion on the Strategic Action Plan.
- Data Protection Annual Report for 21/22 and Compliance Programme for 22/23. The Information Engagement & Performance Manager advised that a comparison with previous years had been carried out and in 19/20 there had been 21 breaches and in quarter 3 to date there had been 22 breaches. Refresher training had been conducted in November 22. Procedure appears to be well embedded across the council.
- Telescopic Ladders. The Health & Safety Manager confirmed that no telescopic ladders were used within the authority.
- Illegal dumping of waste in Killamarsh. The AD, Property Estates and Assets advised that officers were still working through the report. To date no issues had been raised.
- Landowner Risk. To be included in the developing strategy.

### 1.5 **Insurance Claims / Legal Claims**

The Director of Finance and Resources provided an update. In summary:

#### **Total claims**

Insurance claims in 2022 – 27

Total Claims outstanding – 25

#### **Employee Liability claims**

3 claims outstanding

2 Mesothelioma

1 Ankle Injury -

#### **Vehicle Related**

11 claims outstanding

5 claims are for reversing incidents which are becoming more frequent and this has been raised with the Assistant Director of Street Scene.

1 claim is refuse vehicle caught fire

#### **Property**

5 claims outstanding

2 house fires – 1 of these is repaired, insurers need more information from Rykneld to agree costs that weren't approved.

2 Break Ins

1 Flooded Property

2 claims are where a third party vehicle drove into the front of the house. We are going through DAS to claim from the third parties if possible  
1 claim is a third party hit our wall – the third party insurers are dealing with the repairs.

### **Public Liability**

6 claims outstanding

2 Tree Root Damage  
1 Sewerage Leak  
1 Access Issue  
2 Storm Damage  
4 Personal Injury

AD Street Scene advised that Train the Trainer training had been undertaken.

Sharley Park £24m project. Discussions taking place directly between contractor and insurer

#### 1.5 **Review of Strategic Risk Register**

A 'light touch' review of the Strategic Risk Register had been undertaken. The following areas had been updated:

- Emergency Planning – Protect (now called Martin's Law) legislation included and changes to Local Resilience Forum.
- Climate Change.
- Asylum Dispersal.
- Northwood
- Devolution
- Elections Act

Director of Finance and Resources to refresh STR1 and STR2.

#### 1.6 **Review of Operational Risk Register**

The Operational Risk Register was considered by exception.

- Homelessness increasing. High numbers in bed & breakfast accommodation which had caused an increase in the b&b budget.
- Hikvision CCTV. Government had banned Hikvision CCTV due to concern that suppliers who have to comply with Chinese security laws could pose a risk to UK security. Trusted private sector partners should be used. 73% of CCTV in local government was Hikvision. Managers to be aware in case any systems were coming up for renewal. NEDDC use DVR but not cameras. The Information Engagement & Performance Manager to produce a briefing note, identifying where cameras are sited, for the next meeting.
- Town Deal to be updated.

## 1.7 Health and Safety Update

The Health & Safety Manager provided an update:

- Archive Store. Following discussion at SMT H&S had viewed the archive store and found a lot of flammable material, incorrectly stored. Since then legal and finance had done an excellent job of rationalising/sorting their own areas. Planning and governance still require sorting. The Health & Safety Manager had discussed with the Governance Manager, who will be progressing. H&S to continue to monitor the situation.

The RMG discussed and agreed that there was no overall ownership of this area. The Director of Growth & Assets had discussed with the AD, Property Estates & Assets. The AD, Property Estates & Assets to discuss and progress with the Property and Estates Team. A corporate initiative was required to destroy confidential documents. Consideration should also be given to whether a physical copy was required if an electronic copy was available.

- New Fire Evacuation Procedures for Mill Lane. The procedure had been reviewed due to changes in working practices following the pandemic. 117 employees had attended briefings. SMT were being briefed on 30 January 23. Wall boxes were being installed. Zones had been extended. Evacuation exercise to be conducted in the near future.

## 1.8 Policies, Plans and Strategies Review – across the Council

No policies, plans or strategies were reviewed – except for the RM Strategy Action Plan below.

## 1.9 Risk Management Action Plan

With regard to the RM Strategy Action Plan 8 out of 18 actions had been achieved, with the remaining actions being progressed. Fraud and corruption action plan to be included on the Strategic Action Plan.

Action Plan to be appended to the notes. The RMG were requested to familiarised themselves with the document.

Ref	Action	Responsibility	Target Date	Update Jan 23
RMS1	Schedule the new Risk Management Strategy review date and process for 2024.	SRO (MD) With support of RMG	Oct 22	Achieved
RMS2	Establish a roll-out, promotion and communication programme for the new Risk Management Strategy.	SRO (MD) With support of RMG	Oct 22	Achieved
RMS3	Review representation on the RMG to ensure whole organisational oversight.	SRO (MD) With support of RMG	Oct 22	Achieved
RMS4	Improve communications about risk management principles e.g. through the intranet, desktop guides or toolkits.	AD - T&C With support of RMG	Mar 23	

RMS5	Consider opportunities for integrating risk management and performance management reporting via management 'dashboard'.	AD - T&C With support of RMG	Mar 23	Target date changed to Mar 23.
RMS6	Ensure risk management is a regular item at team meetings and incorporated into all service plans.	SRO (MD) With support of RMG	Mar 23	Target date changed to Mar 23.
RMS7	Review and refine the Risk Management Strategy organisational training package/mechanism for elected members and staff including roles and responsibilities.	SRO (MD) With support of RMG	Dec 22	Achieved On going
RMS8	Create a digital or online Risk Management Strategy training option/package/mechanism for elected members and staff	SRO (MD) and HR With support of RMG	Mar 23	
RMS9	Establish an Information Risk Management Framework.	SIRO (AD - T&G)	Mar 23	
RMS10	Increase the visibility of Risk Registers to enable common risk types to be identified across the organisation.	SRO (MD) With support of RMG	Mar 23	
RMS11	Promote a positive risk awareness culture within the organisation through our collective spans of influence.	RMG	Ongoing	
RMS12	Undertake a review of the Council's partnership arrangements with specific regard to managing the associated risks.	AD - T&C With support of RMG	Mar 23	
RMS13	Undertake a review of the Council's shared services and posts arrangements with specific regard to managing the associated risks.	SRO (MD) and Statutory Officers and Directors. With support of RMG	May 23	
RMS14	Further develop the Projects and Partnerships Risk Registers.	AD - T&C AD - ED&R	Mar 23	
RMS15	Further develop quarterly detailed strategic risk review to include assessment, adjustment and update for each risk area.	RMG	Oct 22	Achieved Ongoing
RMS16	Review the format of the strategic risk register.	RMG	Oct 22	Achieved However continual refinement and development on going.
RMS17	Schedule risk appetite reviews throughout the plan period.	RMG	Nov 22	Achieved On going
RMS18	Undertake an annual Risk Management Audit.	Internal Audit Consortium Manager	Ongoing	Achieved.

### 1.10 Emergency Planning / Business Continuity Planning

The Director of Growth & Assets advised that the AD Street Scene had been appointed Deputy Emergency Planning Lead. The Director of Growth &

Assets, AD, Street Scene and Emergency Planning Officer to meet to discuss further. The AD, Street Scene had requested refresher training.

The Emergency Planning Officer provided an update. In summary:

- Strategic Risk Register. Email circulated to all staff on 'Martins Law' and measures to be taken generally in order to improve security. E-learning to be rolled out to the whole organisation as mandatory training.
- Car parking – parking adjacent to the building to be restricted to staff only. Customer Services progressing.
- ID Badges – to be updated for all staff.
- Manchester enquiry – recommended improvements to Local Resilience Forums. Discussions taking place at county level to make improvements across Derbyshire. Local Resilience Forum currently looking at two posts to drive this forward. These would hopefully be in place by the end of March 23.
- Martins Law. No risk assessments had been conducted yet, but this would be progressed prior to guidance being received.

The Health & Safety Officer thanked the Information Engagement & Performance Manager and the Health & Safety Manager for their assistance with access to the EPR system.

- Setting up of Rest Centres. Draft of service area procedure, using leisure centre as an example, had been sent to the Director, Growth & Assets. Comments awaited.
- Priority Functions. Chasing responses.

#### 1.11 **Internal Audit**

The Director of Finance and Resources provided an update.

- SMT had received an update on outstanding IA recommendations. There were very few outstanding recommendations. The Director of Finance and Resources thanked all for responding and progressing.
- Annual Audit Plan. RMG were requested to advise The Internal Audit Manager or Senior Auditor of any areas for inclusion in the Audit Plan.

## 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 February 2023.

## 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**

- 4.1 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 February 2023
<b>Background Papers</b> (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 you must provide copies of the background papers)	
Service Area Operational Risk Registers	