

**North East Derbyshire District Council**

**Cabinet**

**23 May 2024**

**Risk Management Strategy 2024**

**Report of Councillor P Kerry, Deputy Leader & Portfolio Holder for Strategic Leadership and Finance**

**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 Cabinet on the review of the current Risk Management Strategy and to seek adoption of the Council’s new/reviewed Risk Management Strategy and Action Plan.

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**RECOMMENDATIONS**

1. That Cabinet approve the adoption of the new/reviewed Risk Management Strategy and Action Plan 2024.

Approved by the Portfolio Holder – Cllr Pat Kerry

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**IMPLICATIONS**

**Finance and Risk:** Yes  No

**Details:**

There are no specific financial implications arising out of this report. Risk Management Issues are covered throughout the body of the main report.

On Behalf of the Section 151 Officer

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**Legal (including Data Protection):** Yes  No

**Details:**

This strategy will help to satisfy the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Framework on Corporate Governance which requires the Council to make public assurance statements to stakeholders on, amongst other areas, the authority’s risk management strategy, process, and framework.

On Behalf of the Solicitor to the Council

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**Staffing:** Yes  No

**Details:**

There are no significant direct additional HR implications arising from the proposals.

On behalf of the Head of Paid Service

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## DECISION INFORMATION

<b>Decision Information</b>	
<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>	All
<b>Consultation:</b> <b>Leader / Deputy Leader</b> <input checked="" type="checkbox"/> <b>Cabinet</b> <input 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

<b>Links to Council Plan priorities:</b>
<b>Council Plan Objective: A great place to access good public services</b>

## REPORT DETAILS

### 1 **Background**

- 1.1 The risks facing the Council are many and varied and the approach to managing those risks should be applied within decision making processes. Risks will change over time so need continual monitoring, the approach to risk management should also be continuous with a structured review process. A comprehensive review of the Council's risk management framework took place in 2020 following which the Risk Management Strategy 2020, and then a reviewed version in 2022, were approved

and adopted to ensure that the continued effective and systematic management of risk was achieved.

- 1.2 The Strategy set out the mechanisms and processes for both the maintenance and development of Risk Management within the Council's operational framework. The Strategy detailed the need for the Council to be risk aware rather than risk averse as the decision whether to accept risk should be taken considering the potential benefits of a proposed course of action.
- 1.3 The Strategy also detailed the need to establish a 'Risk Management Group'. This has been in place for the past four years, it 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.
- 1.4 The group meets 'regularly' and 'consistently' to oversee, at least quarterly, all 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 the Audit 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.

## **2. Details of Proposal or Information**

- 2.1 A comprehensive review of the Council's risk management framework now takes place every two years following which the Risk Management Strategy for the two years ahead will be set. During the autumn of 2023, the Council undertook an external assessment in relation to its Risk Management Strategy and arrangements to help inform the 'then' upcoming strategic review. Across a range of themes and out of a maximum score of 5 the Council were assessed at level 4 overall (public sector score expected to be at level 2) with the Council scoring level 5 for its Culture and Leadership, the highest score possible - this is classed as Transformational. Due to this review, much of the framework and processes remain reassuringly unchanged, however the key amendments and changes are summarised below:
  - The opening section – whilst this does not intend to detail every change in the environment that we operate in, it is important to set the scene and demonstrate the changing risk environment to the reader, a reassurance that we as an organisation recognise the changing world which in-turn reinforces the requirement to review every two years – an action identified in the action plan.
  - Risk Appetite and Applying Risk Appetite and Tolerance Thresholds – these sections go into more detail, clearly articulating the 'measures' when we consider the organisations risk appetite and tolerance and how we apply this – these sections will be read in conjunction with Appendix 1 and 2 which provide context and descriptions.

- Action Plan - this is updated to reflect the continual improvement requirements identified – this is not to be confused with our risk registers which contain specific actions within them to deal with the specific risk areas.

### **3 Reasons for Recommendation**

3.1 The Council is committed to maintaining, developing, and actively monitoring the operation of a formal and systemic approach to Risk Management. The key objectives of this Strategy meet that commitment, these are detailed below:

- To operate in line with best practice and update our approach to reflect evolving best practice
- To protect service delivery arrangements, the reputation, and the financial position of the Council by managing risk effectively
- To maintain and strengthen robust managerial and governance arrangements within the Council
- To promote risk awareness, risk intelligence and risk management throughout the Council
- To ensure programme, project and partnership risk is effectively managed
- To ensure there are clear roles, responsibility, and accountability for risk management within the Council
- To ensure the effective identification of risks relating to service delivery, a new project, new initiative, external origins, or circumstance to ensure fully informed decisions are made and measures to mitigate or exploit are in place
- To ensure that the Council has a fully informed level of awareness of its overall risk exposure

### **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 have in place a robust risk management framework - the alternative of not providing this is therefore rejected.

## **DOCUMENT INFORMATION**

<b>Appendix No</b>	<b>Title</b>
1	Risk Management Strategy 2024
2.	Risk Management Action Plan