

## BABERGH DISTRICT COUNCIL

<b>BDC Cabinet</b>	<b>REPORT NUMBER: BCa/18/45</b>
<b>FROM: Lead Member for Organisational Delivery – Councillor Davis</b>	<b>DATE OF MEETING: 08/11/2018</b>
<b>OFFICER: Assistant Director – Law and Governance and Monitoring Officer</b>	<b>KEY DECISION REF NO. Item No.</b>

### HALF YEAR SIGNIFICANT RISK REGISTER 2018/19 – UPDATE & SUMMARY OF WORK UNDERTAKEN

#### 1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with the half year Significant Risk Register for their attention.
- 1.2 To summarise the work of the Audit and Risk Management Services team during the first half of 2018/19.

#### 2. OPTIONS CONSIDERED

- 2.1 Risk management as an activity must accomplish the following tasks: identify concerns; identify risks and risk owners; evaluate the risks as to likelihood and consequences; assess the options for accommodating the risks and prioritise the risk management efforts.

#### 3. RECOMMENDATIONS

- 3.1 That the contents of this report, supported by Appendix A and B, be approved.

#### REASON FOR DECISION

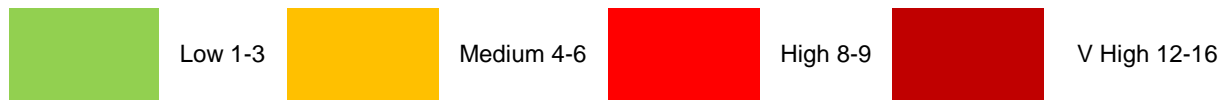
To provide assurances that risk management processes in place are robust and effective.

#### 4. KEY INFORMATION

- 4.1 This report details movements of Significant Risks up to 30<sup>th</sup> September 2018 (see Appendix A) and the work undertaken around risk management processes since April 2018.
- 4.2 There are currently 28 risks on the register, of these risks, 17 are scored as medium, 9 as high and 2 as very high. During the first half of the year, 2 new risks were added to the register (see para 4.6.2 and 4.7.1).

The bar charts below demonstrate both the risk scores and mitigation RAG status for each theme and ***should be read in conjunction with the register and risk matrix*** (Appendix A and B) and the Key below:

### Risk scores:



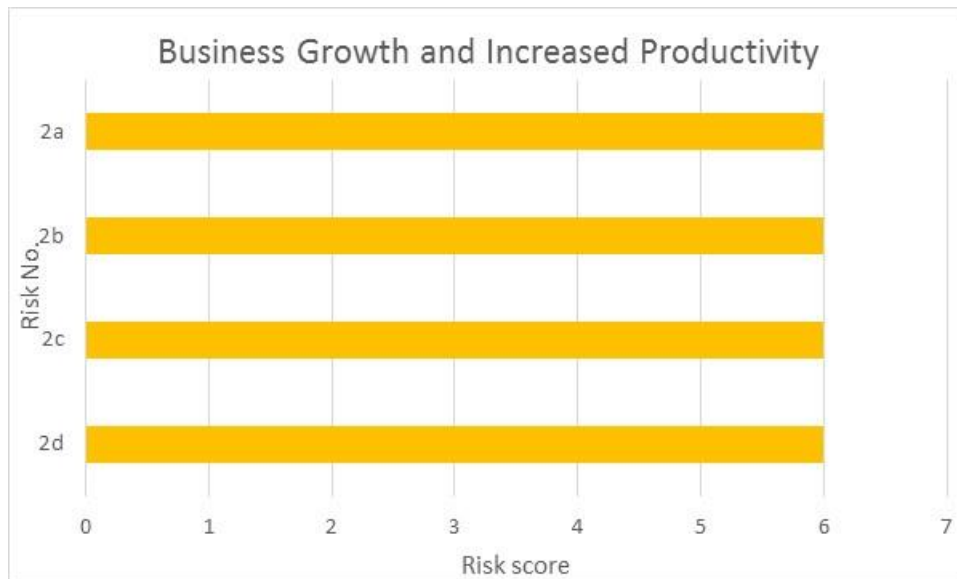
### 4.3 Theme 1 – Housing Delivery:



4.3.1. Risk 1b – *We may not have a sufficient, appropriate supply of land available in the right locations* reduced in score in quarter 1 from 9 (high) to 6 (medium), this is as a result of securing 5-year land supplies for both Councils. On 11<sup>th</sup> July the Council published its Joint Annual Monitoring Report which included a five-year housing land supply statement that identified the Council was able to demonstrate 6.5 years of land supply. This figure has been challenged by developers and the Inspector on the recent Woolpit appeal concluded that the Council had not demonstrated a five year supply of deliverable sites. Officers are currently undertaking work to produce a Housing Land Supply Position Statement, which will set out clearly the supply position of the District, and in accordance with the new policy and guidance provided by the NPPF and PPG that were published between July and September this year. It is anticipated that the Position Statement will be published during November 2018.

4.3.2 All scores for remaining risks under this theme remain unchanged but mitigating actions have been updated.

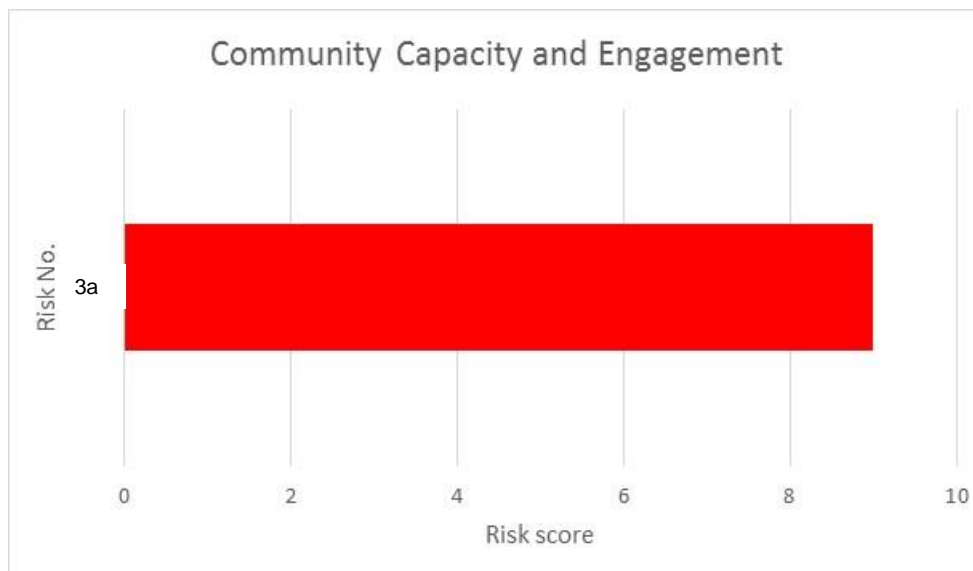
4.4. Theme 2 – Business Growth and Increased Productivity



4.4.1 Ownership of these risks will change from the Assistant Director – Planning and Communities to the new Assistant Director – Economic Development and Regeneration (commencing quarter 3).

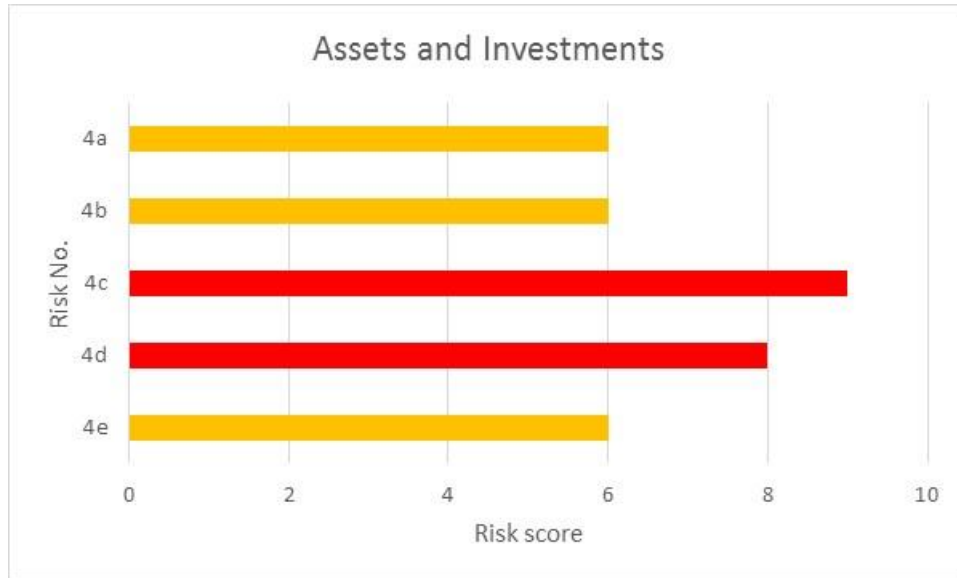
4.4.2 All scores for risks under this theme have remained unchanged for the previous 2 quarters, however mitigating actions have been updated to reflect progress.

4.5. Theme 3 – Community Capacity Building and Engagement



4.5.1 There have been no changes to the risk scorings for this theme, mitigation progress however, has been updated to reflect the latest position.

4.6 Theme 4 – Assets and Investments



- 4.6.1 Ownership of risk 4c - *We may not manage our asset portfolio effectively* has changed from Assistant Director – Corporate Resources to Assistant Director – Assets and Investments.
- 4.6.2 Risk 4e is a new risk on the register relating to Gateway 14 and will be managed by the Assistant Director – Assets and Investments.
- 4.6.3 All scores for the remaining risks under this theme have remained unchanged for the previous 2 quarters, however mitigating actions have been updated to reflect progress.

4.7 Theme 5 – An Enabled and Efficient Organisation



4.7.1 Risk 5k is a new risk and is a result of splitting Risk 5e into two: public access arrangements and agile working (new risk 5k). Risk 5e (as was) – *We may not have efficient and effective public access and agile working arrangements* was reduced from a score of 9 (high) in quarter 4 17/18 to 6 (medium) in quarter 1 18/19. This was largely due to the completion of relocating headquarters to Ipswich and the public access points up and running in Stowmarket and Sudbury.

4.7.3 Risk 5i – *There may be staff shortages within service areas* was reduced from a score of 9 (high) to 6 (medium) in quarter 1 following successful recruitment to numerous vacant posts within the Planning service. Ownership of this risk has now changed from the Assistant Director – Planning and Communities to Assistant Director – Corporate Resources due to the issue now being less concentrated in Planning and a more generic staffing issue.

4.8 All Significant Risks have been plotted on the risk matrix below to provide an overview of levels of risks across the five themes:

Impact / Consequence	Disaster	4	5j (MSDC)	4d, 5c, 5d (MSDC), 5j (BDC)	5d (BDC), 5g	
	Bad/Serious	3		1b, 1c, 1d, 1e, 2a, 2b, 2c, 2d, 4a, 4b, 4e, 5b, 5e, 5i, 5k	3a, 4c, 5a, 5f, 5h	
	Noticeable /Minor	2		1a		
	Minimal	1				
			1	2	3	4
			Highly Unlikely	Unlikely	Probable	Highly Probable
			Probability / Likelihood			

4.9 Ongoing Countywide conversations are taking place regarding potential implications of BREXIT for the Councils and the addition of an associated risk to the Significant Risk Register. We will report back when more information is available.

4.10 Risk descriptions within the register have been reformatted and Significant Risks are now broken down into: Cause; Risk; Consequence. This format provides a much clearer demonstration of how the risk may occur (there may be more than one cause) and also the resulting consequence(s). It also helps focus the risk owner more on the different types of causes and consequences emanating from one risk.

4.11 The risk matrix has also undergone some minor modifications. The scoring itself remains unchanged however, there is now further narrative provided in relation to the impact definitions. This narrative supports the new risk description format and helps the

risk owner consider the different types of consequence/impact and make a judgement to the scoring of this potential outcome. Please see Appendix B for further detail.

#### Operational Risks:

4.12 Good progress continues to be made with the operational risk registers with regular (minimum quarterly) updates made and regular liaison of risks between Corporate Managers and Assistant Directors. These registers are also proving useful when Corporate Managers are submitting Committee reports where the need to detail key risks is required.

#### Other work:

4.13 In addition to the work undertaken on the risk register, further work has been undertaken to promote and embed risk management across the Councils, namely:

- The Audit and Risk Management Services team continue to work with report writers offering guidance and assistance with capturing and recording the appropriate risks and scores in Committee reports. These are 'signed off' before submission to ensure continuity of risk wordings and scorings with the corporate approach.
- In June a workshop was delivered to a number of SLT members by an external consultant on reputational risk. The workshop was well received and has enabled us to incorporate more reputation awareness within our risk management process.
- The decision-making process around the setting of scores and mitigation progress has been strengthened by the creation of an agenda for the quarterly SLT risk update sessions and the addition of written minutes for both these sessions, and the 1-2-1s with risk owners. This provides an audit trail of how these decisions were made with the conversations and rationale to support this.

## **5. LINKS TO JOINT STRATEGIC PLAN**

The Joint Strategic Plan and the Work Programme to deliver it covers all of the service delivery and development activity planned to be undertaken across both Councils in the next five years. The way we manage key corporate risk is therefore intrinsic to this strategy and plan of work, and will be embedded in each key activity, project and programme.

## **6. FINANCIAL IMPLICATIONS**

6.1 As detailed in the report.

## **7. LEGAL IMPLICATIONS**

7.1 There are no immediate legal implications arising from this report.

## 8. RISK MANAGEMENT

8.1 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If risks are not managed it will have a detrimental effect on the Councils ability to make the right business decisions	Unlikely – 2	Bad – 3	The Risk Management Strategy, training and reporting arrangements ensure senior management and Members can obtain necessary assurance that the Councils are making every effort to reduce/eliminate risks of not achieving its objectives

## 9. CONSULTATIONS

9.1 Risk owners were consulted on their relevant risks.

## 10. EQUALITY ANALYSIS

10.1 There are no immediate equality and diversity implications associated with this report.

## 11. ENVIRONMENTAL IMPLICATIONS

11.1 There are no environmental implications associated with this report.

## 12. APPENDICES

Title	Location
(a) Significant Risk Register	Attached
(b) Risk Matrix	Attached

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