

BABERGH DISTRICT COUNCIL

From: Leader of the Council	Report Number: BC/17/28
To: Babergh Cabinet	Date of meeting: 9 November 2017

HALF YEAR SIGNIFICANT RISK REGISTER 2017/18 – 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 2017/18 and highlight its activities to promote and embed risk management across the Councils.

2. Recommendations

- 2.1 That assurance of the work of the Audit and Risk Management Services team has been received and the contents of the Significant Risk Register (Appendix A) is approved.

3. Key information

- 3.1 To structure and formalise the risk management arrangements across all functions, Babergh and Mid Suffolk District Councils have developed a systematic and logical process of managing business risk within a comprehensive framework to ensure it is managed effectively, efficiently and coherently across the organisations. The Risk Management Strategy, approved by Executive and Strategy Committees, further outlines our approach.
- 3.2 It is the role of the Audit and Risk Management Services team within the Councils to provide support, guidance, professional advice and the necessary tools and techniques to enable the organisations to take control of the risks that threaten delivery. The role of the team is also to provide a level of challenge and scrutiny to the risk owners through regular 1-1 meetings and/or group sessions.
- 3.3 This report details movements of Significant Risks up to 30th September 2017 (see Appendix A) and the work undertaken around risk management processes since April 2017.
- 3.4 The risk register is a critical tool for capturing and reporting on risk activity and the organisation's risk profile. It is a working spreadsheet where new risks are captured, others are managed to extinction and some require close and regular monitoring.
- 3.5 There are currently 27 risks on the register, of these risks, 13 are scored as medium, 11 as high and 3 as very high. During the first half of the year, 8 new risks were added to the register, 2 in quarter 1 and 6 in quarter 2. The Councils are currently going through a period of change which brings with it a level of challenge and this is recognised in the number of new and also high scored risks. These high risks however, have no identified

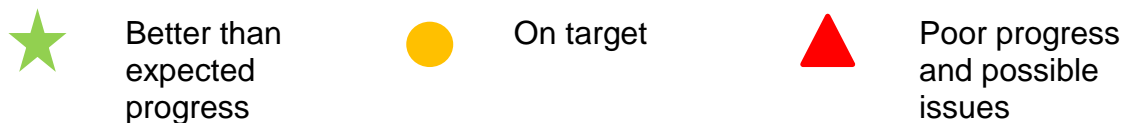
issues with mitigation progress and as these progress further, the aim is to reduce the current risk scores.

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:



RAG status ref mitigation progress:



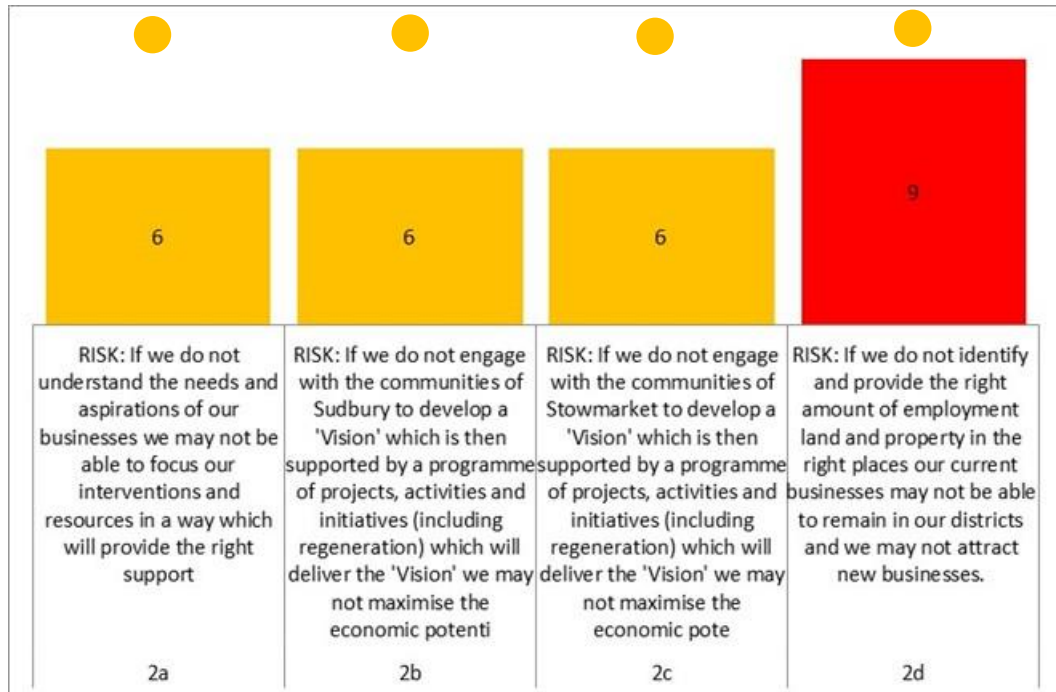
Significant Risk Register - Current position

3.5.1 Theme 1 – Housing Delivery:



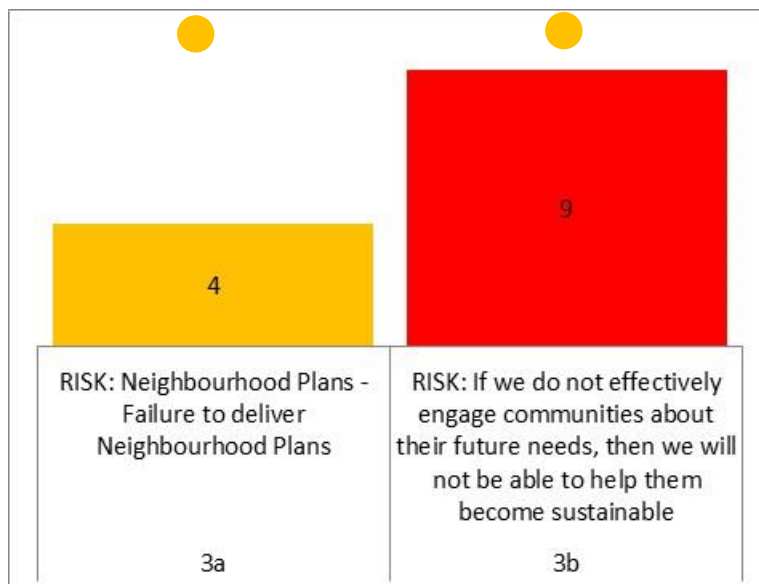
3.5.2 There have been no changes to the risk scorings for these risks, mitigation progress however, has been updated to reflect the latest position.

3.5.3 Theme 2 – Business Growth and Increased Productivity



3.5.4 Ownership of these risks has changed from the Assistant Director – Commercial Delivery to the Assistant Director – Planning for Growth. 2b had decreased from a score of 8 to reflect progress made. Mitigation progress has been updated to reflect the latest position.

3.5.5 Theme 3 – Community Capacity Building and Engagement



3.5.6 There have been no changes to the risk scorings for these risks, mitigation progress however, has been updated to reflect the latest position.

3.5.7 Theme 4 – Assets and Investments

●	●	●	●
6	6	6	8
<p>RISK: If the Capital Investment Fund (CIF) is not able to generate the investment returns forecast in its Business Plan; income projections for the Councils will not be met</p>	<p>RISK: If our affordable homes programme does not achieve the forecast returns on investment this will result in a drain on Housing Revenue Account and General Fund resources</p>	<p>RISK: If we do not manage our asset portfolio effectively it may result in: lost opportunity; loss of capital value; increased revenue costs and loss of public confidence</p>	<p>RISK: If Babergh and Mid Suffolk Building Services (BMBS) fail to deliver the financial projection set out within its Business Plan, then the Councils are at risk of financial loss and potential reputational damage</p>
4a	4b	4c	4d

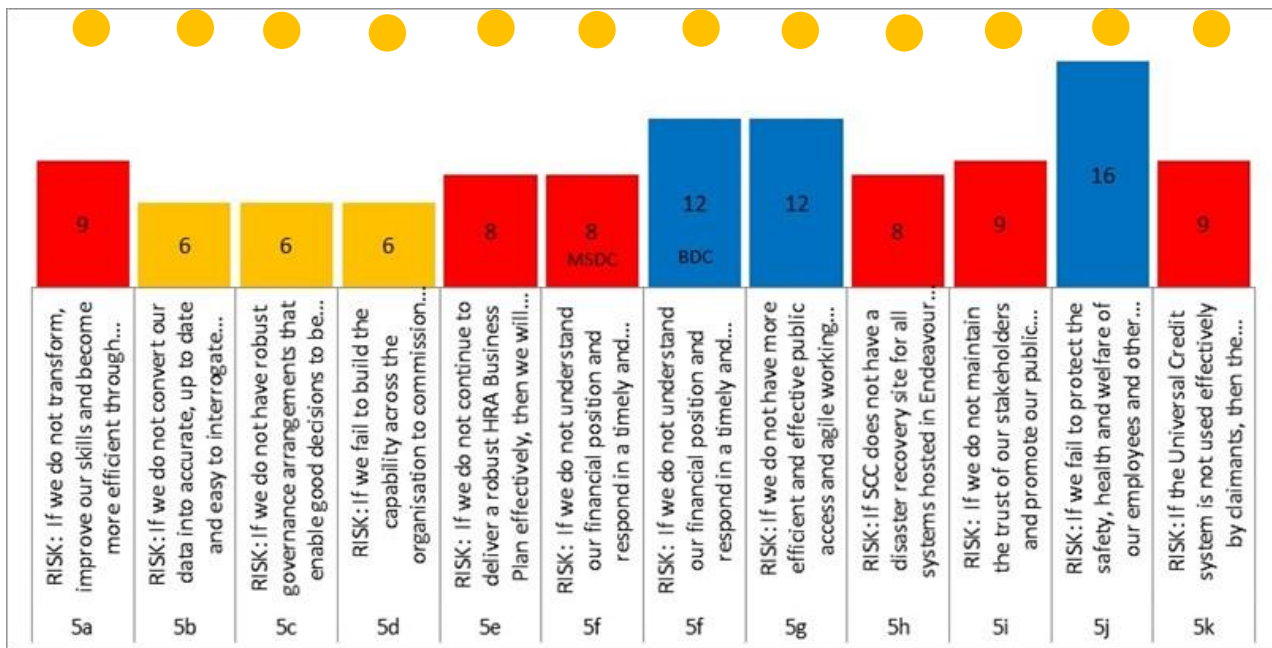
3.5.8 Ownership of risk 4c has changed from Assistant Director – Commercial Delivery to Assistant Director – Corporate Resources.

3.5.9 Risk 4d is a newly identified risk relating to the Babergh and Mid Suffolk Building Services which will be managed by the new Assistant Director – Housing.

3.5.10 All scores for the remaining risks under this theme are unchanged from the previous quarter with mitigating actions updated.

3.5.11 The Assistant Director – Commercial Delivery together with the Investment and Development Consultant, are working together to capture new risks for the register associated with the Capital Investment Fund Company business plan. The design of a Capital Investment Fund, governance framework and delivery model will define the Councils approach to investment in land and property to generate financial returns and meet key strategic outcomes. It will provide the Councils with a clearly defined approach to investment and expedient governance and delivery arrangements which enable the Councils to maximise financial returns and maximise impact against key strategic priorities. Associated risks are captured in a specific risk register however, key risks will feature on the Significant Risk Register. This area will be discussed at forthcoming Cabinet meetings, after which the key risks will be added to the register.

3.5.12 Theme 5 – An Enabled and Efficient Organisation



3.5.13 Seven of the eight new risks added in the first half of the year fall under this theme. Four of these new risks will be managed by the new Assistant Director – Customer Services. These are risks 5a, 5b and 5g (both added in quarter 1) and 5h.

Risk 5g, which was identified and added to the register in quarter 1 has increased in score since this time. This is as a result of the Union not agreeing to the initial proposal regarding changes of staff contracts. It was therefore felt that the score should increase with a view to reducing later in the year.

A new risk, 5i, has been added to the register in quarter 2 and assigned to the Chief Executive. This relates to reputational risk to the Councils. In this connection, a number of SLT and Risk Officers will be attending a workshop mid November where reputational risk will be the topic delivered by an external consultant. It is hoped that this will be an opportunity to refine this risk further.

Risk 5j is a further new risk identified this quarter and also assigned to the Chief Executive. This relates to the health, safety and welfare of staff and other persons. This risk has been scored at the highest level currently as areas of work to be addressed have been identified.

Finally, risk 5k is a new risk identified and allocated to the Assistant Director – Housing. This relates to possible misuse of the Universal Credit system currently being rolled out and the potential consequences.

3.5.14 The register remains, as always, a living document and as projects develop, the register will capture any new, evolving and emerging risks. Risk management work undertaken during the year

- 3.5.15 In addition to the work undertaken on the risk register, further work has been undertaken to promote and embed risk management across the Councils.
- 3.5.16 The Audit and Risk Management 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.
- 3.5.17 As mentioned in para 3.2.5.1 above, a workshop is being held in mid November to discuss reputational risk and its potential consequences to the Councils. This is being run by a consultant that has previously been used for risk training.
- 3.5.18 The Audit and Risk Management team are working closely with the Health and Safety Business Partner sitting on working group meetings to assist with any risk issues emerging from a recent visit by the Visiting Officer in relation to HAVS (Hand Arm Vibration Syndrome). It is intended that internal audit work will be carried out later in the year once identified actions have been implemented.
- 3.5.19 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.

4. Financial Implications

- 4.1 As detailed in the report.

5. Legal Implications

- 5.1 There are no immediate legal implications arising from this report.

6. Risk Management

- 6.1 As set out in the body of this report.

7. Consultations

- 7.1 Risk owners were consulted on their relevant risks.

8. Equality Analysis

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

9. Shared Service / Partnership Implications

- 9.1 The overall approach has been to develop a single shared model for risk management for both Councils and the Significant Risk Register attached is a shared document across the two Councils.

10. Links to Joint Strategic Plan

11. 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.

12. Appendices

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

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