

Executive
18 March 2021

Title: Significant Business Risk Register

Lead Officer: Richard Barr

Portfolio Holders: Councillor Day

Public report / Confidential report: No

Wards of the District directly affected: Not applicable

Contrary to the Policy Framework: No

Contrary to the Budgetary Framework: No

Key Decision: No

Included within the Forward Plan: Yes

Equality Impact Assessment Undertaken: Not applicable

Consultation & Community Engagement: Not applicable

Accessibility Reader Check Undertaken: Yes

Final Decision: Yes.

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	01.03.21	Chris Elliott/Andrew Jones
Head of Service	01.03.21	Mike Snow
CMT	01.03.21	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	01.03.21	Mike Snow
Monitoring Officer	01.03.21	Andrew Jones
Finance	01.03.21	Mike Snow
Portfolio Holder(s)	01.03.21	Councillor Day

1 **Summary**

- 1.1 This report sets out the latest version of the Council's Significant Business Risk Register for review by the Executive. It has been drafted following a review by the Council's Senior Management Team and the Leader of the Council.

2 **Recommendations**

- 2.1 That Executive should review the Significant Business Risk Register attached at Appendix 1 and consider if any further actions should be taken to manage the risks facing the organisation.
- 2.2 That Executive should note the emerging risks identified in section 9 of this report and that an additional risk be included in future relating to the proposed merger with SDC.

3 **Reason for the Recommendations**

- 3.1 This report seeks to assist members fulfil their role in overseeing the organisation's risk management framework. A very useful source of guidance on the responsibilities of members and officers with regard to risk management came from the Audit Commission in its management paper, "Worth the risk: improving risk management in local government":

"Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:

- decide on the structure through which risk management will be led and monitored;
- consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
- agree an implementation strategy;
- approve the council's policy on risk (including the degree to which the council is willing to accept risk);
- agree the list of most significant risks;
- receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
- commission and review an annual assessment of effectiveness: and
- approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.

The role of senior officers is to implement the risk management policy agreed by members.

It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the chief executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout

the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility.”

4 **Policy Framework**

4.1 **Fit for the Future (FFF)**

4.1.1 The Council’s FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

4.1.2 The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council’s website](#). The table below illustrates the impact of this proposal if any in relation to the Council’s FFF Strategy.

4.2 **FFF Strands**

4.2.1 **External impacts of proposal(s)**

People - Health, Homes, Communities

Services - Green, Clean, Safe

Money- Infrastructure, Enterprise, Employment

The Significant Business Risk Register is based on the Council’s corporate priorities and key strategic projects that are reflected in Fit for the Future. The Fit for the Future programme is also based on an agreed set of values amongst which are the ones of openness and honesty. This is integral to the consideration of risk in an organisation; risk issues need to be discussed and debated and mitigation put in place, in order to prevent them materialising. It does not mean, however, that all risks recorded are immediately impending or are likely to happen. Paradoxically, to not debate risks is to help them more likely to materialise.

It is worth members re-apprising themselves of the basis on which risks are scored in relation to likelihood and impact – see Appendix 3. The probability of a risk being realised, and how many times it might happen, is assessed over a number of years, not as if it is going to happen tomorrow.

4.2.1 **Internal impacts of the proposal(s)**

People - Effective Staff

Services - Maintain or Improve Services

Money - Firm Financial Footing over the Longer Term

Statement on Internal impacts as per External impact.

4.3 Supporting Strategies

- 4.3.1 Each strand of the FFF Strategy has several supporting strategies but description of these is not relevant for the purposes of this report.

4.4 Changes to Existing Policies

- 4.4.1 This section is not applicable but it should be noted that if the report on a Strategic Business Plan elsewhere on this Executive agenda is agreed then the SBRR may need to be amended to reflect the contents of that eventual Plan.

4.5 Impact Assessments

- 4.5.1 This section is not applicable.

5 Risks

- 5.1 The whole report is about risks and the risk environment. Clearly there are governance-related risks associated with a weak risk management process.

6 Alternative Options Considered

- 6.1 The report is not based on 'project appraisal' so this section is not applicable.

7 Background

- 7.1 The Significant Business Risk Register (SBRR) records all significant risks to the Council's operations, key priorities, and major projects. Individual services also have their own service risk registers.
- 7.2 The SBRR is reviewed quarterly by the Council's Senior Management Team and the Council Leader and then, in keeping with members' overall responsibilities for managing risk, by the Executive. The latest version of the SBRR is set out as Appendix 1 to this report.
- 7.3 A summary of all the risks and their position on the risk matrix, as currently assessed, is set out as Appendix 2.
- 7.4 The assessments of risk are judgemental, being based on an assessment of the likelihood of something occurring and the impact that might have. Appendix 3 sets out the guidelines that are applied to assessing risk.
- 7.5 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour (e.g. on-line), the former set of risks would be within the area shaded red, whilst the latter would be within the area shaded green; the mid-range would be seen as yellow.

8 **Recent Movements in Risk**

- 8.1 Senior Management Team has undertaken a further review of the SBRR in light of the ongoing pandemic. Nearly all of the risks identified in the register were initially negatively impacted by the consequences of the virus, however, with matters now on a more even keel, many of the residual risk ratings have reduced. Whilst there is still a great deal of uncertainty about the outcome, it is clear that the Council will need to review the way it has responded to events and develop an action plan to enhance its response should there be a similar scenario in the future. This features as an Annual Governance Statement action.

9 **Emerging Risks**

- 9.1 As part of the process of assessing the significant business risks for the Council, some issues have been identified which at this stage do not necessarily represent a significant risk, or even a risk at all, but as more detail emerges may become one. These have been mentioned in previous reports but as their status has not changed they are included again for completeness.
- Funding – the ongoing impact of the pandemic continues to cause great uncertainty for the Council and its operations. The situation is being monitored on a near daily basis and communications between the Political and managerial leadership of the Council remain very strong. Members and officers are producing a revision to the Council's change programme to prepare it as well as possible for what lies ahead.
 - Brexit – already recognised as a potential trigger to some of the Council's existing risks, this issue will be kept under review so that as details emerge of exactly what the Country's new trade and political relationships may mean, generally for local government and specifically for this Council, the implications for the Council's risk environment can be considered further.
- 9.2 Given the Council decision in respect of seeking to merge with Stratford on Avon District Council (SDC), it is recognised that this body of work may well affect all of the Council's risk register as currently set out and is of such a scale that it would be appropriate in future editions of the SBRR for it to appear as a risk in its own right.