HIGH PEAK BOROUGH COUNCIL

Report to the Audit and Regulatory Committee

1st December 2021

TITLE:	**Risk Management Update (overview of strategic, operational and project risks)**
EXECUTIVE COUNCILLOR:	**Cllr Alan Barrow – Corporate Services and Finance**
CONTACT OFFICER:	**Information Business Partner**
WARDS INVOLVED:	**Non-specific**

Appendices attached:
Appendix A: Strategic Risks (by exception)
Appendix B: Operational Risks (by exception)
Appendix C: Project Risks (by exception)
Appendix D: Opportunity Risks (all registers by exception)

1.   Reason for the Report

1.1   The purpose of the report is to allow the robust scrutiny of the Council's Risk Management arrangements in accordance with generally accepted good practice.

2.   Recommendations

2.1   That the committee notes the Council's current risk position and the mitigation / fruition plans summarised within Appendix A (strategic risks), Appendix B (operational risks), Appendix C (project risks) and Appendix D (opportunity risks).

3.   Executive Summary

3.1   The Council's Strategic, Operational and Project Risk Registers are reviewed by the Audit and Regulatory Committee on an exception basis. This report is based upon the Council's position as at September 2021.

3.2   The latest analysis of the Strategic Risk Register reveals that the Council has identified and assessed 17 strategic risks, of which 47% are rated as 'high' and therefore above the Council's risk tolerance threshold. The strategic risk profile has changed since last reported, with the addition of one new risk. The eight 'high' rated risks are listed in full at Appendix A.

3.3 The Operational Risk Registers reveal that the Council has identified and assessed 57 operational risks in total, of which 10 are rated as 'high' and therefore above the Council's risk tolerance thresholds. The details of all the significant changes can be found at paragraph 9. The risks falling within the 'high' category are listed in full at Appendix B.

3.4 The project risk registers currently cover 15 projects and the risk profile is bulleted below:

- 0% Critical
- 16% High – 14 risks
- 56% Medium – 48 risks
- 27% Low – 23 risks

4. Evaluation of Options

4.1 There are no options to consider

5. How this report links to Corporate Priorities

5.1 Risk Management impacts on all service areas and therefore links to each of the Council's Corporate Plan aims.

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)
None

6.2 Workforce
None

6.3 Equality and Diversity/Equality Impact Assessment
This report has been prepared in accordance with the Council's Diversity and Equality Policies

6.4 Financial Considerations
Effective Risk Management contributes to financial objectives

6.5 Legal
None

6.6 Sustainability
None

6.7 Internal and External Consultation
None

6.8   Risk Assessment
The Council's Risk Registers are a critical element in the Council's Risk Management Framework.

ANDREW P STOKES
Chief Executive

7. Background and Introduction

7.1 The Council ensures that it undertakes a deliberate and systematic identification of the key risks that might prevent, degrade, delay or enhance the achievement of its objectives and priorities. The Council's Risk Management Strategy sets out the process for undertaking this on an ongoing basis.

7.2 In addition to the identification of risks, managers also have to quantify them in terms of likelihood and potential impact. The risks are then recorded in the Council's Risk Registers. These have three aspects – strategic, operational and project risks.

7.3 Under the Risk Management Strategy, the Council's 'risk tolerance' threshold is set along the border between 'medium' and 'high' rated residual risks. The Strategy stipulates that mitigating actions should be identified for all risks that exceed this threshold.

7.4 The Council's Strategic, Operational and Project Risk Registers are reviewed on a quarterly basis and reported into the Corporate Risk Management Group and the Audit and Regulatory Committee on an exception basis. The appendices provide details of all risks that have been rated as 'high' or above, and therefore beyond the Council's risk tolerance threshold.

8. Strategic Risks

8.1 The September 2021 review of the Strategic Risk Register reveals that the Council has identified and assessed 17 Strategic Risks, of which 47% are rated as 'high' and therefore above the Council's risk tolerance threshold. Since the last risk report, the following changes to the strategic risk profile have taken place:

- New high rated risk around employee wellbeing, included in response to the pandemic and new ways of working
- Downgrading of the external funding risk from high to medium due to levelling up and shared prosperity funding streams coming online
- Increased risk rating for environmental regulation to incorporate climate change targets
- Downgrading of opportunity risk around trading and commercialism due to project being temporarily put on hold due to the pandemic

8.2 There continues to be four opportunity risks within the register – housing growth, business growth, commercialism (trading) and effective contractor relations, which the alliance is working to reap the benefits from.

8.3 The Council's risk profile is displayed below.

| Residual Risk Rating	High Peak Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	-	8	8
Medium	1	7	8
Low	-	1	1
		Total Risks	**17**

Matrix 1: Risk Threats

Impact					
Likelihood \ Impact	1	2	3	4	5
5					
4				- MTFP - World Events	
3				- IT Security - Employees - Env Regs	- Contract Mngt - Investment into assets
2					- Safeguarding duty
1					

Matrix 2: Risk Opportunities

Impact					
Likelihood \ Impact	5	4	3	2	1
5					
4			Effective contractor relations		
3	Housing & Business Growth				
2					
1					

8.4 The eight high rated risks are mapped on Matrix 1 above and the three opportunity risks are shown on Matrix 2. The categories of risk now recorded on the strategic risk register cover a broader range of risk types than before. The graphic below illustrates the risk profile across both threats and opportunities and also across our Corporate Plan aims.
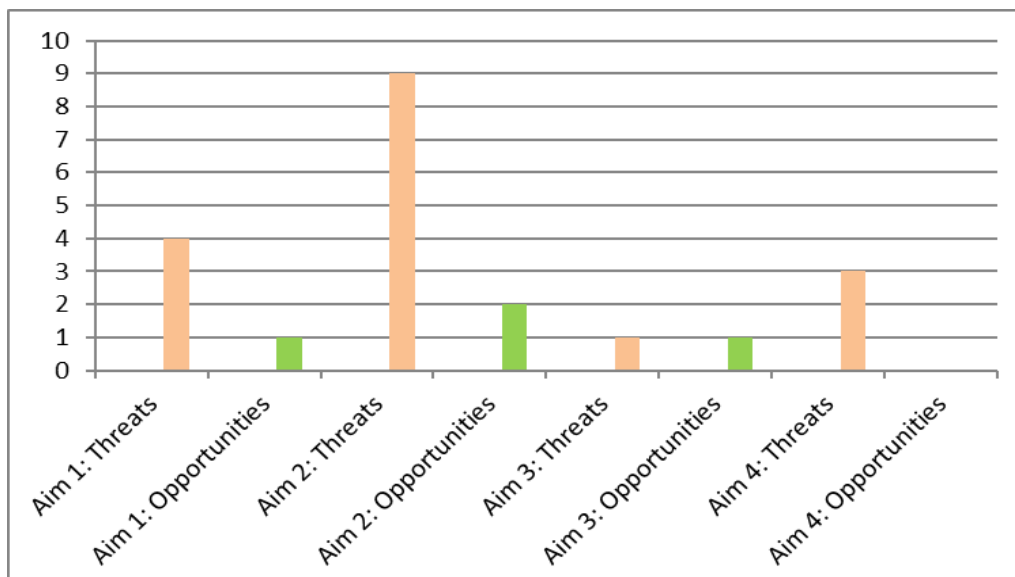
9. Operational Risks

9.1 The September 2021 analysis of the Operational Risk Registers reveals that the Council has identified and assessed 57 operational risks in total, of which 10 are rated as 'high' and therefore above the Council's risk tolerance threshold. There have been a number of changes made to the risk registers this year, in order to reflect the new management structures and responsibilities including:

- ❖ Development Services - Building control risk removed now that Derbyshire partnership in place, arboreal risks added
- ❖ Communities – New register in place, all rated 'medium' including resourcing of climate change action plan
- ❖ Revs and Bens – rationalisation of UC risks, supplier failure risk reinstated
- ❖ Environmental Health – escalation of major incident risk, to reflect the ongoing pull on public health resources

9.2 The 10 risks falling within the 'high' category are listed in full at Appendix B. A full breakdown of the Council's operational risk profile is given below:

Residual Risk Rating	High Peak Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	1	9	10
Medium	7	17	24
Low	8	15	23
		Total Risks	57

9.3 The greatest number of operational risks now sits within Assets, closely followed by Carelink and Housing Repairs. An analysis of the alignment of risk to our corporate objectives shows that most operational risks relate to the use of resources in order to achieve value for money.
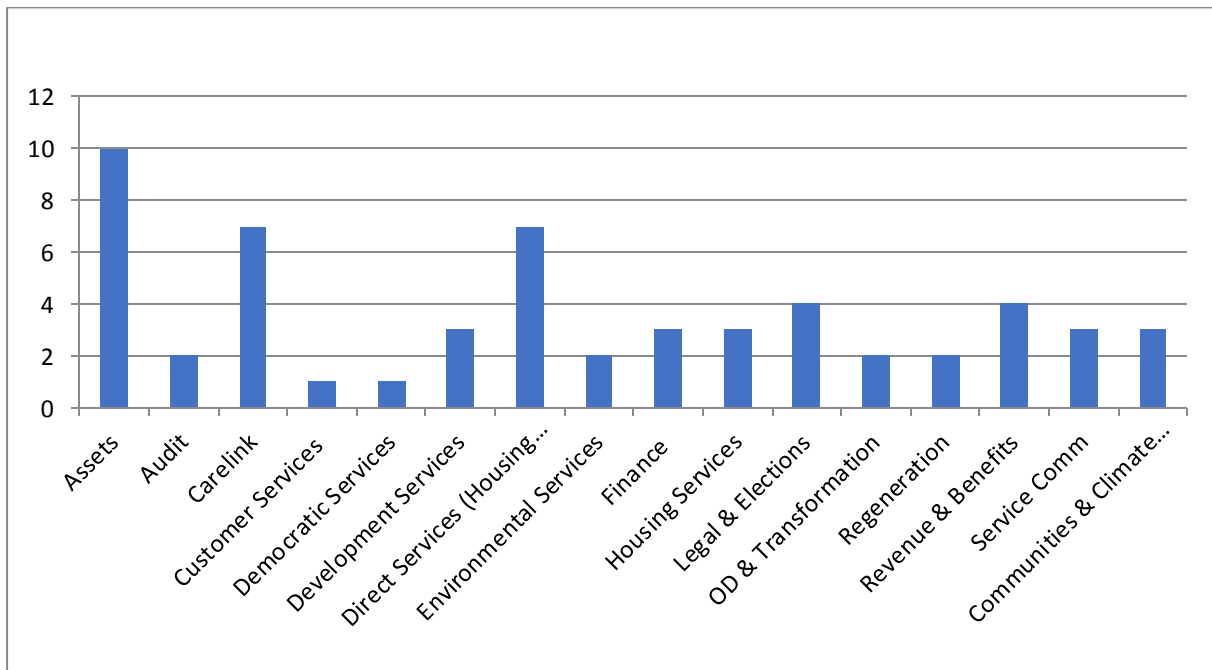
10. Project Risks

10.1 The alliance's project management methodology requires all projects to present an assessment of associated risks at Stage Two of the decision-making process for project approval.

10.2 September's risk review has seen the addition of two new projects, Bankswood Park and a new Developer Contributions Supplementary Planning Document. The Hybrid Mail and Civica Pay (phase 1) projects have been closed due to completion. Existing project risk registers are detailed below:

- Accelerated housing delivery programme
- Glossop Cemetery
- Glossop Halls
- Committee Management System
- Leisure Consultancy
- Assets Database
- HAZ Scheme Buxton
- Local Plan Review
- Collective
- Procurement Workflow
- Building Control Partnership
- Buxton Future High Street Fund
- Land Charges migration
- NEW Bankswood
- NEW Developer Contributions

10.3 The profile of project risk threats overall is bulleted below:

- 0% Critical
- 16% High – 14 risks
- 56% Medium – 48 risks
- 27% Low – 23 risks

10.4 In addition, a total of 35 opportunity risks have been identified across 11 of the above projects and all above tolerance positive risks are reported in Appendix D.