

## **HIGH PEAK BOROUGH COUNCIL**

### **Report to the Audit and Regulatory Committee**

**29<sup>th</sup> November 2023**

<b>TITLE:</b>	<b>Risk Management Update (overview of strategic, operational and project risks)</b>
<b>EXECUTIVE COUNCILLOR:</b>	<b>Cllr Alan Barrow – Corporate Services and Finance</b>
<b>CONTACT OFFICER:</b>	<b>Project Information Officer</b>
<b>WARDS INVOLVED:</b>	<b>Non-specific</b>

#### **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 enable the Committee to seek assurance as to the adequacy of the Council's Risk Management arrangements in accordance with 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 2023.
- 3.2 The latest analysis of the Strategic Risk Register reveals that the Council has identified and assessed 19 strategic risks, of which 47% are rated as 'high' and therefore above the Council's risk tolerance threshold. The nine 'high' rated risks are listed in full at Appendix A.

- 3.3 The Operational Risk Registers reveal that the Council has identified and assessed 48 operational risks in total, of which 12 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 11 projects and the risk profile is bulleted below:
- 0% Critical
  - 19% High – 10 risks
  - 39% Medium – 20 risks
  - 42% Low – 22 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**

#### Background Papers

#### Contact Details

Risk Registers September 2023

Julie Nankivell

## **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 2023 review of the Strategic Risk Register reveals that the Council has identified and assessed 19 Strategic Risks, of which 47% are rated as 'high' and therefore above the Council's risk tolerance threshold.

8.2 There are four opportunity risks within the register – housing growth, business growth, commercialism (trading) and effective contractor relations, of which 3 are rated as 'high'. The alliance is working to reap the benefits from the opportunity risks.

8.3 The Council's risk profile is displayed below.

Residual Risk Rating	High Peak Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	1	8	9
Medium	1	8	9
Low	-	1	1
<b>Total Risks</b>			<b>19</b>

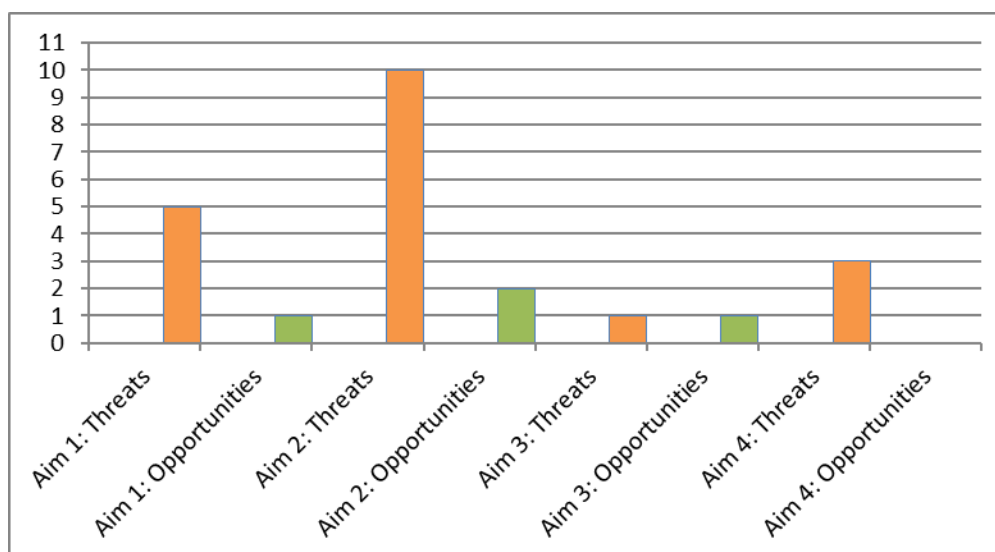
Matrix 1: Risk Threats

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

Matrix 2: Risk Opportunities

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

8.4 The nine high rated risks are mapped on Matrix 1 above and the three high rated opportunity risks are shown on Matrix 2. The graphic below illustrates the risk profile of all threats and opportunities across our Corporate Plan aims.



## 9. Operational Risks

9.1 The September 2023 analysis of the Operational Risk Registers reveals that the Council has identified and assessed 48 operational risks in total, of which 12 are rated as 'high' and therefore above the Council's risk tolerance threshold. Changes made to the risk registers since the last report are listed below:

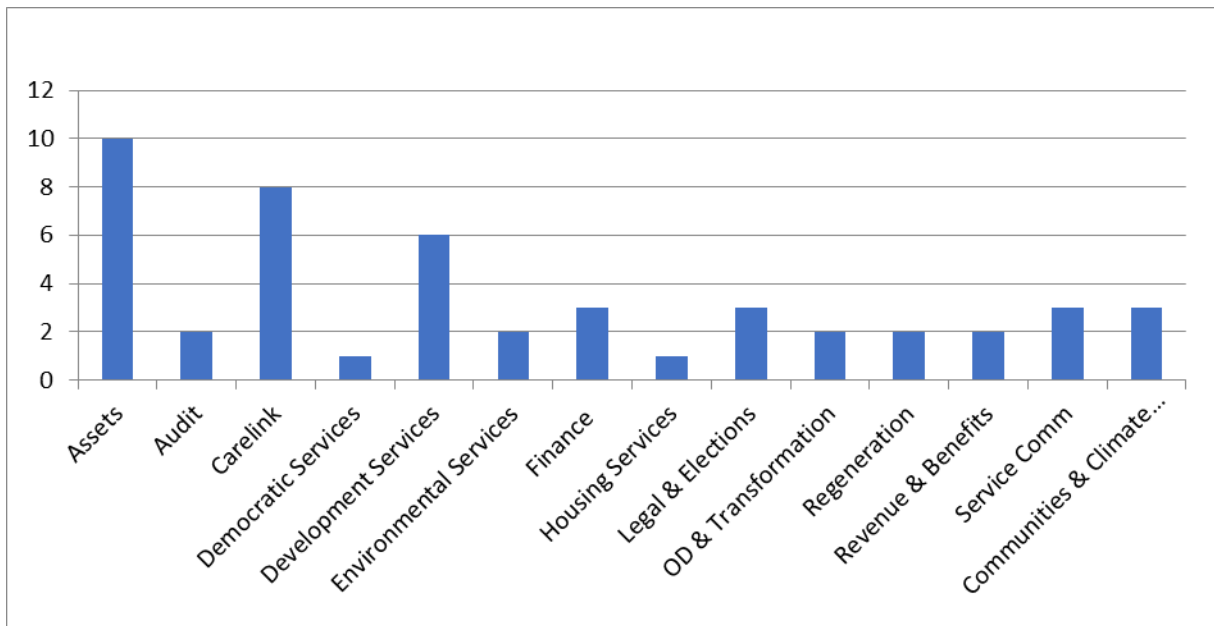
- ❖ Housing Services: 2 low rated risks closed: resource impacts from the Homelessness Reduction Act ; resource impact following the increase in Universal credit claims due to the impact of Covid-19. Both now considered business as usual.
- ❖ Development Services: 3 new low rated risks added (Alliance) : DBCP no longer able to provide building control services; DBCP provide poor quality service; DBCP make a loss.

9.2 The 12 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	11	12
Medium	5	13	18
Low	6	12	18
<b>Total Risks</b>			<b>48</b>

9.3 The chart below shows the greatest number of operational risks sit within Assets, closely followed by Carelink. 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 A number of projects have been completed since the last report. Existing project risk registers are detailed below :

- Accelerated housing delivery programme
- Glossop Halls
- HAZ Scheme Buxton
- Local Plan Review
- Procurement Workflow
- Buxton Future High Street Fund .
- Developer Contributions
- Assets Database
- Manor Park play area
- Derby Road play area
- Cote Heath Park play area

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

- 0% Critical
- 19% High – 10 risks
- 39% Medium – 20 risks
- 42% Low – 22 risks

10.4 In addition, a total of 17 opportunity risks have been identified across 8 of the above projects, and all above tolerance positive risks are reported in Appendix D.