



**EXECUTIVE OVERVIEW & SCRUTINY  
COMMITTEE: 6th September 2022**

**CABINET: 13<sup>th</sup> September 2022**

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**Report of: Head of Finance, Procurement & Commercial Services**

**Relevant Portfolio Holder: Councillor A Yates**

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**SUBJECT: RISK MANAGEMENT FRAMEWORK & KEY RISK REPORT**

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### **Borough Wide Interest**

#### **1.0 PURPOSE OF THE REPORT**

- 1.1 To provide an update on the council's Risk Management Framework.
- 1.2 To set out details on the Key Risks facing the council and how they are being managed.

#### **2.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE**

- 2.1 That the progress made in relation to the management of the risks shown in the Key Risk Register (Appendix A) be considered and agreed comments be forwarded to Cabinet for consideration.

#### **3.0 RECOMMENDATIONS TO CABINET**

- 3.1 That subject to consideration of the agreed comments of the Executive Overview & Scrutiny Committee, the progress made in relation to the management of the risks shown in the Key Risk Register (Appendix A) be endorsed.

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#### **4.0 BACKGROUND**

- 4.1 The Council continues to recognise the importance of identifying, evaluating, and managing all key and service risks that could affect the achievement of its priorities, objectives, and activities. Risk management is fundamental to the

council's governance and contributes greatly to the successful delivery of services, and the key priorities.

- 4.2 Dealing with risk is very much a management activity but there is clear responsibility and accountability for Members in the operation of the council's business which directly involves issues of risk management. This report provides Members with an oversight of the effectiveness of the risk management framework and enables Members to seek assurance about the effectiveness of control arrangements.
- 4.3 Within this report is a summary of the management of the council's key risks so that Members may satisfy themselves that the risks are being adequately managed. The Key Risk Register is reported to Members on a biannual basis.

## **5.0 RISK MANAGEMENT FRAMEWORK**

- 5.1 The framework has continued to operate effectively over the last 6 months and has operated in accordance with the Risk Management Cycle Work Plan.
- 5.2 Annual risk refresher training for all staff commenced in June 2022 with all staff expected to complete training by 30<sup>th</sup> September 2022. Training takes the form of a webinar and for those without intranet access, a toolbox talk is available. Risk training for Members took place on 7th July 2022.
- 5.3 Zurich were commissioned to carry out a risk management health check which commenced in July 2022. Once complete Zurich's report will be shared with Members.
- 5.4 Lunch and Learn risk management sessions continue, as does the council's risk newsletter, the Risk Roundup.

## **6.0 KEY RISK REGISTER**

- 6.1 It is considered good practice to update Members periodically on progress against key risks. This monitoring should summarise the general direction of travel to clearly demonstrate the progress being made on specific risk items (see section 6.7). If all is well then no discussion may be required; if all is not well then it is easy to identify the issues to pursue. As part of the council's risk management framework, key risks are reviewed quarterly by CMT and Members every 6 months.
- 6.2 Service risks are reviewed quarterly by Heads of Service. It is not necessary for Members to know about every risk but rather to know what the key risks are, whose job it is to deal with them, and that they are being actively managed.
- 6.3 Key risks are those risks which if they occur would have the greatest impact on the Council, the achievement of its priorities, objectives, and activities. They are strategic high-level Council risks. The Key Risk Register (Appendix A) gives a summary of the 14 risks assessed as being key risks. The register details the residual risk score and the work that is being undertaken to mitigate them, although many of these risks will have already been the subject of separate

committee reports. In addition, more detailed information regarding each of the key risks, the scoring, and internal controls that mitigate the risk are contained on the council's Pentana risk management information system.

6.4 The assessment methodology used to score the risks is detailed in the council's Risk Management Policy.

6.5 Four new risks have been added to the register since it was last presented, these are detailed below. All risks have adequate mitigation controls in place, and none fall into the critical risk category.

- "Ability to transform into a digital Council and deliver technological changes in line with customer expectation due to the investment required to upgrade an ageing ICT estate," was recognised as a key risk during a recent horizon scanning sessions
- "Effective Management of Cyber Security" has been added as a key risk given the current climate for cyber-attacks.
- "Planning Services staff resources" has been added due to the current number of vacancies in the planning section
- "Community Infrastructure Levy (CIL)" has been added due to the current number of vacancies in the planning section

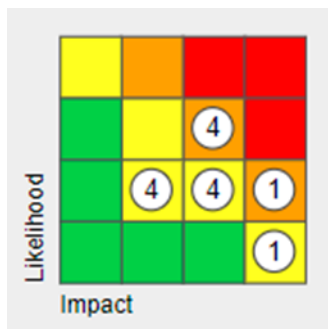
6.6 Three risks have been removed from the register since it was last presented. The risk in relation to COVID-19 has been removed but remains as a service risk as Covid -19 no longer represents a significant threat to the aims and achievements of the Council's objectives. The risk in relation to successfully delivering the 'Our Future Our Place' project has been removed as the Our Futures Board now considers a variety of different projects, not solely the Our Futures Our Place Project. Projects have separate risk registers in place. The risk " Failure to deliver Skelmersdale Town Centre phase 1 retail development," has been removed as the practical completion certificate has now been issued.

6.7 Unless detailed in the table below the scoring of the risks on the Key Risk Register remains unchanged from the last report presented 6 months ago.

Title of Risk	Previous Risk Score	Current Risk Score	Reasoning
Future for Tawd Valley Developments to deliver the Business Plan agreed by Council	8 Concerned	4 Cautious	A cross party shareholder committee now meets regularly. The committee is considering the future direction and focus of TVD activity.
Recruitment and retention of staff	4 Cautious	9 Concerned	Post Covid recruitment has become increasingly challenging at all levels. The cost of living and opportunities for remote and hybrid working has changed the candidate marketplace. There are more jobs than suitable candidates. We have found professional and management posts are key risks as we are unable to recruit the calibre of candidates due to the salary we offer.
Significant failure to comply with General Data Protection Regulation (GDPR and DP Act	6 Cautious	4 Cautious	To reflect the significant amount of work that has been undertaken by the Effective Data Management Project and

2012)			Information Asset Owners to strengthen and evidence controls to ensure compliance with GDPR.
Failure or prolonged loss of ICT	8 Concerned	4 Cautious	An internal review of current controls and reassessment of their adequacy and effectiveness has resulted in this risk being downgraded.
Delays In Preparation of new Local Plan	4 Cautious	6 Cautious	Due to staff resources no progress has been made on this therefore the likelihood of the risk materialising has increased.

6.8 There are currently no key risks that fall into the "critical" category. An overview of risk scoring is detailed in the diagram below.



## 7.0 SUSTAINABILITY IMPLICATIONS

7.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

## 8.0 FINANCIAL AND RESOURCE IMPLICATIONS

8.1 The successful management of the key risks facing the council will ensure that resources are used effectively and efficiently.

## 9.0 RISK ASSESSMENT

9.1 The continued review of the risk management framework is essential to ensure the successful achievement of the council's objectives, demonstrate effective provision of its services and the maximisation of opportunities. If we are unable to maintain an effective framework, we could endanger the achievement of our vision and priorities. By continually monitoring and reviewing the risk management framework it should continue to improve, develop and meet best practice requirements.

## 10.0 HEALTH AND WELLBEING IMPLICATIONS

10.1 There are no health and wellbeing implications arising from this report.

## **Background Documents**

There are no background documents (as defined in section 100D(5) of the Local Government Act 1972) to this report.

## **Equality Impact Assessment**

The decision does not have a direct impact on members of the public, employees, elected members and / or stakeholders, therefore no Equality Impact Assessment is required.

## **Appendices**

Appendix A – Key Risk Register (Updated on 5 September 2022 for Cabinet papers)