

# Strategic Risk Register

June 2021



## Strategic Risk Profile

Risks are assessed based on *impact and likelihood* to gain an overall view of the significance of the risk's threat to the achievement of objectives. These are multiplied to give an overall score which is used to inform our response to the risk. The table below summaries the net score (after controls have been applied) for each risk including changes since the last update and a comparison with the target score.

Ref	Risk Title	September 2020 Score	March 2021 Score	June 2021 Score	Target Score	Net risk within target risk?
SR01	Finance	15 High	10 Medium	10 Medium	10 Medium	Yes
SR02	Property Investment Strategy	9 Medium	9 Medium	9 Medium	9 Medium	Yes
SR03	Asset management & maintenance	9 Medium	9 Medium	6 Low	6 Low	Yes
SR04	Knowledge, capacity & culture	12 Medium	12 Medium	12 Medium	8 Medium	No
SR05	Technology	9 Medium	12 Medium	12 Medium	6 Low	No
SR06	Information & data management	10 Medium	12 Medium	12 Medium	6 Low	No
SR07	Legal compliance, governance & ethics	6 Low	6 Low	6 Low	6 Low	Yes
SR08	Capacity of community partners	6 Low	6 Low	6 Low	6 Low	Yes
SR09	Health & Safety (incl. Staff Wellbeing)	12 Medium	12 Medium	12 Medium	6 Low	No
SR10	Emergency planning & severe weather events	8 Medium	12 Medium	12 Medium	9 Medium	No
SR11	Safeguarding	4 Low	4 Low	4 Low	4 Low	Yes
SR12	Covid-19	8 Medium	8 Medium	8 Medium	8 Medium	Yes
SR13	Temporary Accommodation	8 Medium	12 Medium	12 Medium	12 Medium	Yes
SR14	Capital Projects	NA	NA	10 Medium	8 Medium	No

Ref	Risk Title	September 2020 Score	March 2021 Score	June 2021 Score	Target Score	Net risk within target risk?
SR15	Net Zero	NA	NA	9 Medium	6 Low	No

The matrix below shows the Council’s overall risk profile, again based on net risk. The impact matrix which gives guidance on the definitions to be applied when considering impact is provided at the end of this document.

		Impact	Impact	Impact	Impact	Impact
		Minimal (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)
Likelihood	Very Likely (5)					
Likelihood	Likely (4)					
Likelihood	Possible (3)			SR02 SR15	SR04 SR05, SR06 SR09, SR10, SR13	
Likelihood	Unlikely (2)			SR07 SR08 SR03	SR12	SR01 SR14
Likelihood	Very Unlikely (1)				SR11	

The summary below maps each of the strategic risks to the Council Plan:

No.	Risk	Net Risk Rating	Value for Money	Keep the District Safe	Provide high quality services	Protect the Green Belt	Support and grow the local economy
01	Finance	10	✓	✓	✓	✓	✓
02	Property Investment Strategy	9	✓		✓		✓
03	Asset management & maintenance	6	✓		✓		✓
04	Knowledge, capacity & culture	12	✓	✓	✓	✓	✓
05	Technology	12	✓	✓	✓	✓	✓
06	Information & data management	12	✓	✓	✓	✓	✓
07	Legal compliance, governance & ethics	6	✓	✓	✓	✓	✓
08	Capacity of community partners	6	✓	✓	✓		✓
09	Health & Safety (incl. Staff Wellbeing)	12	✓	✓	✓	✓	✓
10	Emergency planning & severe weather events	12	✓	✓	✓	✓	✓
11	Safeguarding	4		✓	✓		
12	Covid-19	8	✓	✓	✓	✓	✓
13	Temporary Accommodation	12	✓	✓	✓		
14	Capital Projects	10	✓		✓		✓
15	Net Zero	9		✓		✓	✓

## Strategic Risk Register

The strategic risks are detailed below. Each risk has a lead officer who is best placed to co-ordinate the response to the risk.

Each risk is first assessed **gross** (without existing controls in place) and then re-assessed following the identification of key controls to give the **net** score. Each risk is also given a **target** score, which is the desired rating for the risk.

The overall **rating (R)** is derived by multiplying the **likelihood (L)** and the **impact (I)**.

Actions have been identified to further enhance controls where relevant.

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
<b>SR01: Finance - Failure to deliver a balanced budget</b> <b>Lead Officer: Adrian Rowbotham &amp; Alan Mitchell</b>											
<ul style="list-style-type: none"> <li>• Detrimental impact of Covid-19 on Council income and expenditure</li> <li>• Limited opportunity to generate income through the business rates retention scheme and New Homes Bonus</li> <li>• Effect of council tax referendum limits</li> <li>• Low, decreasing and uncertain level of government grant</li> <li>• Uncertainty of the timing and outcome of the Government spending and fair funding review</li> <li>• Potential for negative government funding (local authority to make payments to Government)</li> <li>• Effect of cost of external borrowing on the Council's budgets</li> <li>• Loss of external funding</li> </ul>	<ul style="list-style-type: none"> <li>• Poor financial health</li> <li>• Inability to maintain services and deliver Council Vision and Promises</li> <li>• Requirement to issue S114 notice</li> <li>• Reputational damage</li> <li>• Negative impact on staff morale and potential recruitment and retention difficulties</li> <li>• Poor outcome for the Audit of Accounts or Value for Money assessment</li> <li>• Potential for increased intervention</li> <li>• Reduced income or increased</li> </ul>	4	5	20	<ul style="list-style-type: none"> <li>• Self-sufficient budget position; no reliance on direct government funding</li> <li>• Long term 10 year budget framework including Savings Plan</li> <li>• Flexible use of reserves</li> <li>• Alternative funding source - Property Investment Strategy</li> <li>• Strong financial and scenario planning over the short, medium and long term</li> <li>• Effective budget setting and financial monitoring processes embedded</li> <li>• Financial and budget risk management process in place</li> <li>• Effective financial governance including reports to FIAC, Cabinet, Audit Committee and Scrutiny Committee</li> <li>• Qualified and experienced officers in post</li> </ul>	2	5	10	2	5	10

		Gross Score			Net Score			Target Score			
Risk Factors	Potential Effect	L	I	R	Internal Controls	L	I	R	L	I	R
<ul style="list-style-type: none"> <li>Budget assumptions not accurate</li> <li>Ability to identify increase in savings requirement to deliver a balanced 10-year budget</li> <li>Failure to meet savings targets</li> <li>Poor financial plans and strategies</li> <li>Ineffective financial governance</li> <li>Lack of capacity and skilled professionals within the finance team</li> <li>Failure to maintain proper financial and budgetary controls</li> <li>Change in customer demand (eg car parking) and expectation</li> </ul>	expenditure as a result of changing customer demands				<ul style="list-style-type: none"> <li>Finance Procedure Rules in place</li> </ul>						
<b>Actions (updated June 2021)</b>											
None											
<b>Available Assurance</b>											
<ul style="list-style-type: none"> <li>Internal Audit of Budget Monitoring reported December 2020 - substantial assurance</li> <li>Internal Audit of VAT reported March 2021 - Advisory but no significant issues raised</li> <li>Counter Fraud assessment - of 52 sections, 19 Compliant, 21 Partially Compliant, 12 Not Met</li> <li>Internal Audit of ten year budget process to commence 5 July 2021 (actions may result in revised internal controls)</li> <li>External Audit of financial statements to commence July 2021</li> <li>Internal Audit continuous assurance of purchase orders in 2021/22</li> <li>Internal Audit of corporate credit cards to start July 2021/22</li> </ul>											

		Gross Score			Net Score			Target Score			
Risk Factors	Potential Effect	L	I	R	Internal Controls	L	I	R	L	I	R
<b>SR02: Property Investment Strategy - Failure to identify opportunities to meet the Property Investment Strategy</b> <b>Lead Officer: Adrian Rowbotham &amp; Detlev Munster</b>											
<ul style="list-style-type: none"> <li>Lack of ability to seek appropriate investment opportunities</li> <li>Inappropriate appetite for risk within investment strategy to enable the Council to generate target returns</li> <li>Lack of ability to deliver sufficient funds to maximise the opportunities presented through the Property Investment Strategy</li> <li>Lack of ability to prudentially borrow over the medium to long term</li> <li>Prohibitive cost of interest payments</li> <li>Lack of capacity or skilled professionals to advise on investment and borrowing strategies</li> <li>Ineffective governance processes that could result in opportunities being missed or being ineffectively scrutinised</li> <li>Ineffective use of Quercus 7 to support the Council's investment strategy</li> <li>Reduced ability to borrow funds including the effect of government legislation changes</li> <li>Covid-19 / Economic conditions - inability to find or retain tenants, collect lease or rental income, reduction in asset values (systemic risk)</li> </ul>	<ul style="list-style-type: none"> <li>Lack of diversity in investments</li> <li>Inability to find investments that meet the return criteria</li> <li>Inability to deliver a balanced budget (SR01)</li> <li>Negative impact on budgets, reserves and the ability to deliver Council projects</li> <li>Poor financial health</li> <li>Reputational damage</li> <li>Poor outcome for the Audit of Accounts or Value for Money assessment and potential for increased intervention</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>Council approved Property Investment Strategy, with defined rates of return demonstrating risk appetite</li> <li>Diversified portfolio to spread risk</li> <li>Governance arrangements defined with appropriate delegations agreed</li> <li>Qualified and experienced officers in post</li> <li>Professional, external advisers engaged to support the development of strategies and fill skills gaps</li> <li>Realistic income budget set based on current and projected investments</li> <li>Financial monitoring processes embedded</li> <li>Effective financial governance including reports to FIAC, Cabinet and Scrutiny Committee</li> <li>Regular Quercus 7 Board and Trading Board meetings</li> </ul>	3	3	9	3	3	9

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
<b>Actions (Updated June 2021)</b>											
Identify alternative external funding sources											
<b>Available Assurance</b>											
Internal Audit of Property Investment Strategy to commence July 2021											



Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR03: Asset Management &amp; Maintenance - Losing the ability to:</b> <i>a) Dispose of surplus land;</i> <i>b) Maintain and develop assets and land holdings;</i> <i>c) Secure tenants for vacant or part-vacant assets</i> <b>Lead Officers: Adrian Rowbotham &amp; Detlev Munster</b>											
<ul style="list-style-type: none"> <li>Lack of finance to deliver asset management plans and maintenance programmes</li> <li>Lack of capacity to appropriately manage, maintain and invest in the council's assets</li> <li>Failure to maximise the benefit from asset disposals</li> <li>Lack of tenants to occupy vacant or part-vacant assets</li> <li>Lack of buyers for surplus Council land</li> <li>Failure to adopt effective governance procedures</li> <li>Project management skills to ensure cost effective and robust developments</li> <li>Failure to identify partners to take forward projects and initiatives</li> <li>Loss of contracted providers to manage and operate assets</li> <li>Covid-19 / Economic conditions - ability to find or retain tenants, collect lease or rental income, reduction in asset values (systemic risk)</li> <li>Lack of suitable skills or sufficient capacity</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in asset values placing increased pressure on council budgets</li> <li>Failure to maximise the opportunity to raise income from investment in assets</li> <li>Increased insurance premiums</li> <li>Adverse impact on service delivery</li> <li>Loss of investment or income opportunities</li> <li>Reputational damage</li> <li>Closure of public assets and loss of community facilities</li> <li>Corporate Landlord liabilities associated with poorly maintained assets (tenants and corporate buildings) - cross refer to SR09</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>Property / Asset Register (record of land in Council ownership)</li> <li>Asset maintenance budgets reviewed annually</li> <li>Ongoing strategic review of council owned property</li> <li>Inventory registers in place</li> <li>Financial procedure rules in place (but see action below)</li> <li>Economic Development &amp; Property team in place</li> <li>Professional, external advisers engaged to support the development of strategies and fill skills and capacity gaps</li> <li>Capital Programme and Asset Maintenance 2019-22 plan in place</li> <li>Surveys of all Council buildings completed and reflected in Asset Maintenance plan</li> <li>Long term leases in place with providers with regular monitoring</li> </ul>	2	3	6	2	3	6

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>Actions</b>											
<ul style="list-style-type: none"> <li>• Prepare and periodically review Asset Management Plan</li> <li>• Financial Procedure Rules to be reviewed, Disposals Policy to be approved</li> <li>• Update Asset Register</li> </ul>											
<b>Available Assurance</b>											
<ul style="list-style-type: none"> <li>• Internal Audit of Asset Management 2021/22</li> <li>• Internal Audit of Corporate Landlord 2021/22</li> </ul>											

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
<b>SR04: Knowledge, capacity &amp; culture - Management of the Council's human resources fails to protect the Council's culture, making it difficult to address gaps in capacity and knowledge</b> <b>Lead Officer: Jim Carrington-West &amp; Graeme Taylor</b>											
<ul style="list-style-type: none"> <li>Continuing reductions to Council budgets</li> <li>National and local pay constraint</li> <li>Inability to employ and retain high quality staff</li> <li>Increased demand for services and high levels of work with reduced capacity and resources</li> <li>Requirement for new skills to deliver the Council's Corporate Plan promises</li> <li>Lack of capacity within the Human Resources team to develop policy and support the workforce</li> <li>Ineffective succession planning</li> <li>High staff turnover</li> <li>Loss of IIP Platinum status</li> <li>Impact of Covid-19 on working practices and greatly increased working from home</li> </ul>	<ul style="list-style-type: none"> <li>Lack of resources to employ, develop and support the wellbeing of staff</li> <li>Impact of poor mental health across the organisation</li> <li>Reduced morale and staff satisfaction</li> <li>Reduced productivity</li> <li>Reduced quality of staff and work / services</li> <li>Unable to recruit or retain high quality staff</li> <li>Increased absence levels</li> <li>Unable to continue to deliver the range and quality of services currently experienced</li> <li>Skills gaps that inhibit the ability to deliver Council projects</li> <li>Reputational damage as an employer and a service provider</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>10 year budget minimises the need for short notice changes to the workforce</li> <li>Recruitment and retention policies</li> <li>Managing Attendance Policy supported by return to work and staff wellbeing initiatives</li> <li>Staff Appraisal Scheme and Personal Development Plans</li> <li>Regular Staff Surveys and Investors in People Assessments to benchmark effectiveness as an employer</li> <li>Management and Staff Development programmes to support staff and protect the organisational culture</li> <li>Ability to engage professional, external advisers to support the organisation and fill skills and capacity gaps</li> <li>Investors in People Platinum status maintained (re-assessed in February 2019), demonstrating the Council is a high quality employer</li> </ul>	3	4	12	2	4	8
<b>Actions (Updated June 2021)</b> <ul style="list-style-type: none"> <li>Re-evaluate HR strategies, training, development and retention plans and internal communications to address the post Covid working environment - due 1 September 2021 for launch</li> </ul>											

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
<ul style="list-style-type: none"> <li>Develop Workforce Strategy - Draft Strategy going to SMT 8 June 2021</li> </ul>											
<b>Available Assurance</b> <ul style="list-style-type: none"> <li>Investors in People Platinum status (re-assessed February 2019)</li> <li>Internal Audit of ten year budget strategy due to commence 5 July 2021</li> <li>Internal Audit of appraisals due to commence June 2021</li> <li>Internal Audit of HR Policy Compliance (Grievance, Probation and Disciplinary) reported August 2020 - Substantial Assurance</li> <li>Internal Audit compliance check of recruitment controls June 2021 - Substantial Assurance</li> </ul>											

		Gross Score			Net Score			Target Score			
Risk Factors	Potential Effect	L	I	R	Internal Controls	L	I	R	L	I	R
<b>SR05: Technology - The Council's Information Technology doesn't meet the needs of the Council, Members, Officers and the local community</b> <b>Lead Officer: Jim Carrington-West &amp; Amy Wilton</b>											
<ul style="list-style-type: none"> <li>Lack of finance to effectively procure and develop IT infrastructure and solutions across the Council</li> <li>Lack of capacity and skilled professionals to procure, implement and develop IT infrastructure and solutions across the Council</li> <li>Failure to identify areas where IT solutions could improve service delivery and reduce costs</li> <li>Failure to implement robust IT security arrangements in existing and new infrastructure and software</li> <li>Failure to meet the demands of partnership working in the delivery of solutions and on-going IT support</li> <li>Poor data management preventing the implementation of new services</li> <li>User base may not have sufficient broadband to work from home</li> </ul>	<ul style="list-style-type: none"> <li>Failure to effectively deliver Council services and objectives</li> <li>Failure to benefit from the service efficiencies good use of IT would deliver e.g. channel shift, demand management, digital services</li> <li>Failure to maximise the cost savings and value for money efficient use of IT would deliver</li> <li>Security lapse could compromise the Council IT network and render systems inoperable</li> <li>Data loss</li> <li>Reputational damage</li> <li>Failure to deliver projects within required timescales</li> <li>Failure to provide adequate day to day support to customers</li> <li>Failure to prioritise projects effectively as</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>IT Security Policy</li> <li>Business Continuity Plan</li> <li>Disaster recovery plans in place</li> <li>Network security measures in place including firewall and access level controls</li> <li>Procurement practices in place within the IT Service</li> <li>Experienced staff in post</li> <li>Effective budget setting and financial monitoring processes embedded</li> <li>Officer groups in place to support progress of digital services</li> <li>Ability to work in office or to deploy applications via Citrix or RDS</li> <li>Ability to engage professional, external advisers to support the organisation and fill skills and capacity gaps</li> </ul>	3	4	12	2	3	6

Risk Factors	Potential Effect	Gross Score			Internal Controls	Net Score			Target Score		
		L	I	R		L	I	R	L	I	R
	financial resources reduce										
<b>Actions</b> <ul style="list-style-type: none"> <li>Develop IT Strategy - Digital Strategy to be presented to SMT 8 June 2021</li> <li>Review Disaster Recovery plans - envisaged to be implemented October 2021</li> </ul>											
<b>Available Assurance</b> <ul style="list-style-type: none"> <li>Internal Audit of Cyber Security reported February 2021 - Limited assurance</li> <li>Internal Audit of IT Governance due October 2021</li> </ul>											

		Gross Score			Net Score			Target Score			
Risk Factors	Potential Effect	L	I	R	Internal Controls	L	I	R	L	I	R
<b>SR06: Information &amp; Data Management - Failure to properly protect, preserve and make best use of the data and information resources that the Council holds</b> <b>Lead Officer: Jim Carrington-West &amp; Martin Goodman</b>											
<ul style="list-style-type: none"> <li>Lack of capacity or skills within the workforce to implement a knowledge management system</li> <li>Lack of IT capacity to support a knowledge and information management system</li> <li>Ensuring compliance with the requirements of the Code of Connection</li> <li>Ensuring security levels are appropriate to protect data and information without preventing effective and efficient service delivery</li> <li>Breach / non-compliance with General Data Protection Regulations (GDPR)</li> </ul>	<ul style="list-style-type: none"> <li>Breach of regulations and potential for significant financial penalties</li> <li>Impact on residents / customers</li> <li>Failure to meet the Council's objectives</li> <li>Failure to continue to deliver high quality services across the Council</li> <li>Increased costs from recruitment and staff training</li> <li>Negative impact on the organisation's culture and on staff morale</li> <li>Reputational damage</li> </ul>	4	5	20	<ul style="list-style-type: none"> <li>Ability to engage professional, external advisers to support the organisation and fill skills and capacity gaps</li> <li>Data Protection policies in place and available to all staff</li> <li>Training for all staff on Data Protection</li> <li>IT policies in place</li> <li>Annual assessment against the Code of Compliance</li> <li>Disaster recovery plans in place</li> <li>Business Continuity Plan in place</li> <li>Information Governance Policy endorsed by SMT</li> </ul>	3	4	12	2	3	6
<b>Actions</b> <ul style="list-style-type: none"> <li>Develop IT Strategy - Draft digital strategy due to go to SMT 8 June 2021</li> <li>Implement actions from Cyber Security audit - All High actions due to be implemented by end June 2021</li> <li>Review Disaster recovery plans - new DR solution expected to be implemented October 2021</li> </ul>											
<b>Available Assurance</b> <ul style="list-style-type: none"> <li>Internal Audit of Cyber Security reported February 2021 - Limited assurance</li> <li>LGA review of cyber security - due July 2021</li> <li>Annual penetration testing - due July 2021</li> </ul>											

		Gross Score						Net Score			Target Score		
Risk Factors	Potential Effect	L	I	R	Internal Controls	L	I	R	L	I	R		
<ul style="list-style-type: none"> <li>Annual (self?) assessment against Code of Compliance - <i>frequency TBC</i></li> <li>Monitoring Officer monitors compliance with DP training using system reports</li> <li>Internal Audit of Information Security due Q2 or Q3</li> </ul>													



Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR07: Legal compliance, governance &amp; ethics - Failure to recognise and adapt to changes in legislation and to deliver proper governance, scrutiny and internal control to protect the Council from poor practice and mismanagement</b> <b>Lead Officer: Jim Carrington-West &amp; Martin Goodman</b>											
<ul style="list-style-type: none"> <li>Lack of capacity in the workforce to identify and adhere to legislative changes</li> <li>Lack of finance to adjust to changes in legislation</li> <li>Lack of Member or Senior Management support to deliver service changes in response to new legislation</li> <li>Breakdown in relationships between Members and Officers</li> <li>Lack of capacity and skilled professionals within the Legal, Democratic and Internal Audit teams</li> <li>Lack of financial resources to deliver high quality governance arrangements</li> <li>Governance arrangements which may not provide effective oversight of shared service arrangements</li> <li>Lack of skills and resources to provide Counter-Fraud and Corruption service</li> <li>Ineffective support for Councillors in relation to governance, legal compliance and ethics</li> <li>Procurement undertaken outside of / in breach of the Rules</li> </ul>	<ul style="list-style-type: none"> <li>Failure to fulfil statutory duties resulting in government intervention and an increase in legal liabilities</li> <li>Failure to continue to deliver high quality services</li> <li>Increase in customer complaints and falling satisfaction levels</li> <li>Increase in incidences of fraud and error</li> <li>Failure to maximise the opportunities changes to legislation may bring</li> <li>Ineffective political and management leadership</li> <li>Ineffective scrutiny of decision making and performance</li> <li>Failure to deliver statutory requirements including an up to</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>Dedicated Lexcel-accredited in house Legal team with qualified and experienced officers in place</li> <li>Lexcel manual followed</li> <li>Professional managers within service areas (Council-wide)</li> <li>Council's Constitution including Codes of Conduct, Officer / Member Protocol and Standards regime</li> <li>Cabinet and Committee Structure including Advisory, Governance, Audit, Scrutiny &amp; Standards Committee's</li> <li>Monitoring Officer and Section 151 officers in post</li> <li>Effective budget setting and financial monitoring processes embedded</li> <li>Annual review of Committee Terms of Reference</li> <li>Members Handbook and Training</li> <li>Annual Governance Statement and action monitored and plan reported to Audit Committee</li> </ul>	2	3	6	2	3	6

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
	date constitution, an effective Internal Audit function and an Annual Governance Statement <ul style="list-style-type: none"> <li>• Reputational damage</li> </ul>										
<b>Actions</b>											
<ul style="list-style-type: none"> <li>• Reframe procurement group and framework - to go to SMT w/c 14 June</li> <li>• Review risk management framework including operational risk management - to be completed Q2</li> </ul>											
<b>Available Assurance</b>											
<ul style="list-style-type: none"> <li>• Lexcel accreditation 20 July 2020</li> <li>• Internal Audit of Members Allowances and Expenses reported September 2021 - Substantial assurance</li> <li>• Internal Audit review of AGS returns - comments returned to s151 officer but some areas for development identified</li> <li>• Internal Audits of Procurement and Contract Management 2019/20 and 2020/21 - Advisory but several areas for development identified (see actions above)</li> <li>• Internal Audit of Ethical Governance due Q3</li> <li>• Internal Audit of Legal Processes due 2020/21 (but awaiting allocation due to staff vacancy)</li> <li>• Internal Audit of ten year budget strategy due to commence 5 July 2021</li> <li>• Fraud Risk Assessment to be undertaken 2021/22 (IA &amp; CF Managers)</li> <li>• Internal Audit of IT Governance due Q3 2021/22</li> </ul>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR08: Capacity of Community Partners - The impact of austerity and reduced public spending on the workloads and budgets of community partners and the voluntary sector</b> <b>Lead Officer: Sarah Robson</b>											
<ul style="list-style-type: none"> <li>• Reductions in Government funding of partners such as housing, health, leisure, Police and Fire &amp; Rescue services</li> <li>• Increased demand on partner resources and services as a result of Covid-19, against historic reductions in government funding</li> <li>• Changes to the way Government grant is distributed inhibiting the delivery of local priorities e.g. health funding</li> <li>• Reductions in Council grant constraining the funding available for community grants</li> <li>• Reduction in the number of voluntary sector organisations operating in the District as a result of funding difficulties or lack of willing volunteers</li> </ul>	<ul style="list-style-type: none"> <li>• Unable to deliver the priorities and actions set out in the Community Plan, Community Safety Action Plan and Health Action Plan</li> <li>• Unable to deliver on the priorities and actions set out in the Council's health and housing strategies</li> <li>• Increased hardship in the District</li> <li>• Loss of partner organisations and assistance in the District</li> <li>• Greater health inequalities across the District</li> </ul>	3	3	9	<ul style="list-style-type: none"> <li>• Robust budget setting processes in place which consider the benefits of the Council's community grant scheme and Service Level Agreements</li> <li>• Representation on the Kent and Medway COVID-19 District and Communities Recovery Cell</li> <li>• Continue regular interaction with advisers at the MHCLG</li> <li>• COVID-19 Communities and Economy Recovery Plans adapted and being delivered</li> <li>• Ability to attract external funding to sustain community projects</li> <li>• Strong relationships with local community and voluntary groups</li> <li>• Community Awards Scheme to celebrate the success of local residents and community projects and promote the benefits of volunteering</li> <li>• Local Strategic Partnership delivery of the Community Plan, supported by the Community Wellbeing Fund funding local organisations and initiatives responding to the impact of Covid-19</li> </ul>	2	3	6	2	3	6

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
					<ul style="list-style-type: none"> <li>Local Strategic Partnership for the District</li> <li>Robust monitoring process in place for Service Level Agreements and Grants to ensure outcomes are being achieved. Processes and controls under review.</li> <li>Voluntary Sector Forum for the District</li> <li>Partnership Agreement in place and monitored with West Kent Housing Association</li> </ul>						
<b>Actions</b>											
None											
<b>Available Assurance</b>											
<ul style="list-style-type: none"> <li>Internal Audit consultancy review of Community Grants process due to commence June 2021</li> <li>Internal Audit of Covid-19 Recovery due 2021/22</li> </ul>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR09: Health &amp; Safety - Breach / non-compliance with Health &amp; Safety legislation and practices resulting in harm to workforce</b>											
<b>Lead Officer: Jim Carrington-West and Graeme Taylor and Trevor Kennett</b>											
<ul style="list-style-type: none"> <li>Ineffective or lack of Health and Safety Policy, guidance and training for staff</li> <li>Ineffective controls for the management of Health and Safety</li> <li>Ineffectiveness of health and safety risk assessments</li> <li>Lack of awareness of health and safety controls and practices at work</li> <li>Lack of capacity and skills to ensure continuous provision of high quality health and safety in the work place</li> <li>Property standards decline</li> <li>Threats posed by the pandemic - both in the office and - how we use everything</li> <li>Increased home working in the light of Covid-19 - equipment and facilities - staff not have equipment to work from home</li> <li>Covid - ways of working in the office</li> </ul>	<ul style="list-style-type: none"> <li>Poor working practices</li> <li>Increased absence from work</li> <li>Work place accidents and near misses</li> <li>Health and Safety Executive inspections and fines</li> <li>Reputational damage as a service provider and as an employer</li> <li>Corporate Manslaughter</li> <li>Financial impact</li> <li>Non-compliance with statutory requirements</li> </ul>	4	5	20	<ul style="list-style-type: none"> <li>Health and Safety Policy regularly updated</li> <li>Health and Safety guidance</li> <li>Health and Safety risk assessments</li> <li>Regular review and monitoring of risk assessments and safe working practices</li> <li>Health and Safety training</li> <li>Health and well-being monitoring including sickness monitoring</li> <li>Accident recording, monitoring and action planning</li> <li>Suitably trained officers undertake H&amp;S risk assessments</li> <li>Occupational health service</li> <li>Effective risk assessments for Covid-19 to protect staff, customers and Members, that are regularly reviewed and communicated</li> <li>Corporate Health and Safety update reported to SMT quarterly</li> <li>Staff wellbeing (Health, Safety and Security) is a standing item on the SMT agenda.</li> </ul>	3	4	12	2	3	6

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>Actions</b>											
Review Health and Safety framework and arrangements as a whole including consideration of actions from the IA H&S audit - <i>(JCW to confirm progress with GT)</i>											
<b>Available Assurance</b>											
<ul style="list-style-type: none"> <li>• HSE Covid-19 inspection - confirmed arrangements in place are robust for Covid</li> <li>• Internal Audit consultancy review against HSE checklist - 28 areas generally compliant, 13 partially compliant, 5 not met</li> <li>• Internal Audit of Fleet Management reported March 2021 - substantial assurance</li> <li>• Internal Audit of Tree Maintenance - Advisory but no significant issues identified</li> <li>• Internal Audit of staff wellbeing due 2021/22</li> </ul>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR10: Emergency planning &amp; severe weather events - Ability to respond effectively in the event of a prolonged major incident while maintaining the ability to keep services running</b> <b>Lead Officer: Adrian Rowbotham &amp; Trevor Kennett</b>											
<ul style="list-style-type: none"> <li>Inadequacy of emergency plan &amp; business continuity plans</li> <li>Inability to appropriately implement emergency plans in response to any given event</li> <li>Lack of capacity or specialist skills within the workforce to co-ordinate and respond to a major emergency</li> <li>Insufficient controls for major emergency hazards</li> <li>Security - responding to national threat levels (move to critical plans within the major) emergency plan</li> <li>Insufficient resilience in the face of a long-term event</li> <li>Multiple successive and/or simultaneously occurring events i.e. EU exit, Covid and a severe weather event</li> </ul>	<ul style="list-style-type: none"> <li>Disruption to the community and to community services</li> <li>Inability to maintain Council services</li> <li>Excessive non-recoverable expenditure on response</li> <li>Loss of Council information</li> <li>Reputational damage</li> <li>Inability to adequately respond to multiple occurring events either separately or concurrently</li> <li>Insufficient staffing capacity to deal with a long term and/or major /or concurrent event(s)</li> </ul>	3	5	15	<ul style="list-style-type: none"> <li>Cohort of trained officers on rota to formulate and co-ordinate the Council's emergency response (In place with a cohort of 8 trained senior managers on an 8 week on-call rota but see action below)</li> <li>District Major Emergency Plan (including BCP) in place (but see action below, currently being reviewed and updated)</li> <li>The Action Manager (TAM) to co-ordinate response effectively including documentation</li> <li>IT Disaster Recovery Plan in place (but see action below, currently being updated)</li> <li>Collaborative arrangements and plans agreed with other Category 1 and 2 responders, Town and Parish Councils, the voluntary sector and others</li> <li>Access to support resources from across the Council, including Direct Services</li> <li>Council is a member of the Kent Resilience Forum which gives access to expertise and resources</li> <li>Business continuity impact assessments undertaken identifying priority services</li> <li>Mutual aid provision via CCA</li> </ul>	3	4	12	3	3	9

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>Actions</b>											
<ul style="list-style-type: none"> <li>Review of DEC, Training, procedures to commence in April - <i>Training reviewed and courses underway for specialist officers. DEC being reviewed by consultant</i></li> <li>Training of additional officers and to cover more roles - <i>In progress</i></li> <li>Review MEP (from April 21) - <i>In place (v13) currently being reviewed and updated by consultant</i></li> <li>Review of Disaster Recovery Plans - <i>New solution estimated to be in place October 2021</i></li> </ul>											
<b>Available Assurance</b>											
<ul style="list-style-type: none"> <li>Internal Audit of Covid-19 response (reported December 2021) - Substantial assurance, but some medium priority actions for emergency planning</li> <li>Internal Audit of Emergency Planning due Q3 2021/22</li> </ul>											



Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR11: Safeguarding - Failure to identify and act on a Safeguarding concern</b> <b>Lead Officer: Sarah Robson &amp; Jim Carrington-West</b>											
<ul style="list-style-type: none"> <li>Failure by the organisation or a member of staff to take action to refer a child or vulnerable adult to the appropriate agency when we become aware that they may be at risk</li> <li>Failure to provide staff training and awareness of the organisation's safeguarding duties and processes</li> <li>Increased interaction with potentially vulnerable children and adults</li> <li>Reductions or loss of resources, capacity and knowledge / expertise</li> </ul>	<ul style="list-style-type: none"> <li>Could result in domestic homicide, suicide or other death, injury or continuing neglect, continuing modern slavery, human trafficking, terrorism</li> <li>Damage to public confidence and Council reputation</li> </ul>	2	4	8	<ul style="list-style-type: none"> <li>Safeguarding Policy</li> <li>DBS checks in place for relevant staff</li> <li>Training for staff</li> <li>Promotion of safeguarding to all staff through posters, Safeguarding newsletters and Grapevine</li> <li>Simple internal reporting arrangements in place for staff to report safeguarding issues</li> <li>A corporate Safeguarding Group to continually review and update policy and processes, and monitor strategic risk</li> <li>Workload management process and analysis kept up to date to ensure staff capacity to respond</li> <li>Staff trained as trainers</li> <li>Trained Designated Safeguarding Officers</li> <li>Lead Chief Officer reports regularly to SMT</li> <li>Deputy Lead is also a Chief Officer</li> <li>Annual Section 11 Audits to provide external assurance</li> <li>Good working relationship with KCC and the Kent Safeguarding Boards</li> <li>Rollout of Net-Consent to evidence communication and awareness of Policies and Procedures</li> <li>Relevant frontline staff and managers sign up to the policy online and complete online training as soon as they join the organisation</li> <li>Safeguarding awareness included into the staff 'new starter' induction process.</li> </ul>	1	4	4	1	4	4

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>Actions</b>											
<ul style="list-style-type: none"> <li>• Online referrals system being procured in partnership with KCC and 12 district/borough councils in Kent</li> <li>• Designated safeguarding officers training being held in June 2021</li> </ul>											
<b>Available Assurance</b>											
<ul style="list-style-type: none"> <li>• Internal Audit of Safeguarding due Q2 2021/22</li> <li>• Annual Section 11 Audit - last undertaken September 2020</li> </ul>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR12: Covid-19 - impact on SDC - The impact of the current pandemic on the ability to operate the Council effectively and to continue to provide services to residents and businesses</b> <b>Lead Officers: SMT</b>											
<ul style="list-style-type: none"> <li>Ability to provide a Covid-secure work environment</li> <li>Loss of staff through illness, self-isolation and shielding</li> <li>Impact on suppliers and partners</li> <li>Impact on Council finances and budgets</li> <li>Increased needs of residents and demands on services</li> <li>Managing new responsibilities to support residents and businesses</li> <li>Changing customer behaviour changes service demand</li> </ul>	<ul style="list-style-type: none"> <li>Loss of staff essential to the provision of services</li> <li>Temporary closure of council offices</li> <li>Temporary pause on Council services</li> <li>Insufficient budget to maintain all services</li> <li>Interruptions to supply chain causing disruption to services</li> <li>Insufficient resources to meet increased demand for new or existing services</li> </ul>	3	5	15	<ul style="list-style-type: none"> <li>Covid-19 Health and Safety Policy to implement and sustain a Covid-secure work environment in place and regularly reviewed</li> <li>Covid-19 health and safety risk assessments in place and regularly reviewed</li> <li>Business Continuity Plans in place to prioritise service delivery and allocation of council resources</li> <li>Tested and effective home working arrangements in place</li> <li>Flexible working practices adopted to assist colleagues with national or local measures such as school closures</li> <li>Increased cleaning and hygiene protocols and practices implemented</li> <li>10 year budget in place, with effective budget monitoring to address short term impact on council finances</li> <li>Ability to seek alternative suppliers in the event of disruption to supply chains</li> <li>Effective use of technology to enable the continuation of officer and Member aspects of the organisation</li> <li>Prioritisation of Council services and consequent ability to redeploy resources</li> <li>Ability to bid for extra funding eg Leisure Fund</li> </ul>	2	4	8	2	4	8
<b>Actions</b> None											
<b>Available Assurance</b> <ul style="list-style-type: none"> <li>Internal Audit of Covid-19 Response and Recovery reported December 2020 - Substantial Assurance</li> <li>HSE Covid-19 inspection - robust arrangements in place</li> <li>Internal Audit of Covid-19 grant funding ongoing in 2021/22</li> </ul>											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR13: Temporary Accommodation - Inability to effectively manage the volume of people presenting themselves as homeless and the additional pressures placed on the homeless budgets.</b> <b>Lead Officers: Sarah Robson</b>											
<ul style="list-style-type: none"> <li>Changes in government funding</li> <li>Rising numbers of placements</li> <li>Impact on Council finances</li> <li>Increase in Covid-19 related homelessness</li> </ul>	<ul style="list-style-type: none"> <li>Failure to fulfil statutory obligations</li> <li>Impact on life chances and outcomes for individuals and families in temporary accommodation</li> <li>Increased risk of legal challenge due to provision of unsuitable accommodation (including shared accommodation)</li> <li>Pressure on other services</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>Restructure of Housing Team progressed.</li> <li>Temporary Accommodation Action Plan in place for the Housing team.</li> <li>Use of MHCLG's annual Homelessness Prevention Grant to the organisation to prevent homelessness and support costs for temporary accommodation.</li> <li>Focus on preventing homelessness and diversion to alternative housing options through: <ul style="list-style-type: none"> <li>- Landlord and Tenancy advice, support and sustainment</li> <li>- Assistance, (including financial aid) to access the private rented sector</li> <li>- Access to employment and training</li> <li>- Debt, money, budgeting and welfare benefits advice, including assistance to resolve rent and mortgage arrears</li> <li>- Effective contract monitoring arrangements to ensure acceptable quality of service provision and value for money</li> </ul> </li> <li>Family incentive to prevent homelessness and retain individual in the family home <ul style="list-style-type: none"> <li>- Implementation of the Quercus Housing Business Plan to ensure the supply reduces the reliance on nightly paid accommodation</li> <li>- Implementing the Homelessness Strategy</li> <li>- Incentive campaign for private</li> </ul> </li> </ul>	3	4	12	3	4	12

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
					sector landlords embedded and benefits being realised <ul style="list-style-type: none"> <li>• Voluntary Relocation scheme.</li> <li>• Implementation of the Quercus Housing Business Plan to ensure the supply reduces the reliance on nightly paid accommodation.</li> <li>• Implementing the Housing Strategy and Homelessness Strategy</li> <li>• Communications plans in place to promote good news stories and initiatives (InShape, social media).</li> <li>• Work with Housing Associations and temporary accommodation providers to secure additional accommodation units within the district.</li> </ul>						
<b>Actions</b>											
Housing Allocations Policy being reviewed and updated											
<b>Available Assurance</b>											
Internal Audit of Temporary Accommodation due Q4 2021/22											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR14 - Capital projects - not delivered to time, budget or quality</b> <b>Lead Officer: Adrian Rowbotham &amp; Detlev Munster</b>											
<ul style="list-style-type: none"> <li>Lack of capacity to deliver capital projects (resources and skills available within the organisation) at all stages from initiation to completion</li> <li>Lack of available funding to deliver planned schemes</li> <li>Schemes go over budget</li> <li>Ambitions do not align to viability or lack of consensus</li> <li>Risk appetite is averse and opportunities are missed</li> <li>Schemes are progressed at the expense of asset maintenance programme</li> </ul>	<ul style="list-style-type: none"> <li>Projects do not progress as planned</li> <li>Projects go over budget meaning that resources are diverted from other areas</li> <li>Delays to starting schemes</li> <li>Reputational damage if projects delayed or part completed</li> </ul>	3	5	15	<ul style="list-style-type: none"> <li>Strategic Property Team in place</li> <li>Project Management and governance protocols in place</li> <li>Pre feasibility and due diligence investigation undertaken prior to commitment of funds</li> <li>Capital programme set annually, approved by full council</li> <li>Bidding process for projects on capital plan</li> <li>Corporate / Strategic Programme Board - monitoring</li> <li>Augment team with external specialist consultants (as necessary)</li> <li>Commence discussions with local Planning Authority as soon as possible</li> </ul>	2	5	10	2	4	8
<b>Actions</b> <ul style="list-style-type: none"> <li>Fill all roles in Strategic Property team</li> <li>Investigate funding options</li> <li>More detailed 2022/23 capital programme process</li> </ul>											
<b>Available Assurance</b> None identified											

Risk Factors	Potential Effect	Gross Scores			Internal Controls	Net Scores			Target Scores		
		L	I	R		L	I	R	L	I	R
<b>SR15 - Net Zero 2030 - Failure to achieve carbon neutral</b> <b>Lead Officer: Richard Morris</b>											
<ul style="list-style-type: none"> <li>Technology does not sufficiently advance to allow the Council to replace fleet</li> <li>Technology is too expensive to allow the Council to replace fleet</li> <li>Cost of work to Council assets (prohibitive)</li> <li>Retrofitting of assets not technically feasible</li> <li>Delay in delivering actions and projects beyond 2020</li> </ul>	<ul style="list-style-type: none"> <li>Reputational damage</li> <li>Environmental enhancements not achieved</li> <li>Political impact</li> <li>Financial impact on 10 year budget</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>Cross Member Working Group</li> <li>Officer Working Group</li> <li>Net Zero Action Plan</li> <li>Monitoring and political oversight</li> <li>Training and skills development through best practice groups</li> </ul>	3	3	9	2	3	6
<b>Actions</b> TBC											
<b>Available Assurance</b> Net Zero 2030 a standing agenda item on Cleaner and Greener Portfolio briefings and Advisory Committee											

## Strategic Risk Radar

Long-term horizon scanning allows us to be aware of key risks which are, as yet, too uncertain to assess or quantify. By keeping our eye on and tracking these issues we are able to draw them down into the strategic risk register when the timing is right. Having a longer-term view of strategic risk also enables us to be aware of local, sector-wide and even global issues. The bullet points below shows some of issues we are keeping on our radar.

### 2021

- Covid-19
- Impact of Brexit

### 2022/23

- Climate Change
- Business Rates Retention
- Legislation Changes
- Regeneration Projects

### 2023+

- Political change
- Aging Population / Workforce
- Advancing Technologies
- Infrastructure



## Sevenoaks Impact Matrix

	Financial	Service Delivery & Capability	Reputation	Legal & Regulatory	People & culture
Impact Headings	<i>Relating to uncontrolled expenditure or loss of income</i>	<i>Relating to operational delivery of services / objectives</i>	<i>May cause harm to public confidence or embarrassment</i>	<i>Related to breaches of law, rules or governance</i>	<i>May impact negatively on our workforce, culture or values</i>
<b>Critical (5)</b>	Uncontrolled financial losses in excess of multiple <b>£m's</b>	Failure to deliver <i>statutory</i> service / service disruption for <b>&gt;14 days</b>	National adverse publicity perceived as failing in a significant area of responsibility	Breach of law, regulations leading to significant sanctions  Breakdown of governance / internal control resulting in fraud	Significant staff dissatisfaction / increased long term absence & staff turnover  Loss of culture and value framework
<b>Major (4)</b>	Uncontrolled financial losses in excess of <b>£1m+</b> overspend in budget by <b>&gt;£1m+</b>	Unable to deliver <i>discretionary</i> service / service disruption for <b>&gt;14 days</b>	Sustained negative local media attention & damage to public confidence	Breach of law or regulation leading to some sanction  Breakdown of internal controls open to abuse	Adverse staff dissatisfaction / likely increased absence and turnover of staff  Negative impact on culture & value framework
<b>Moderate (3)</b>	Uncontrolled financial losses between <b>£500k - £1m</b> / overspend in budget by <b>&gt;£500k</b>	Unsatisfactory service performance / service disruption of <b>&gt;5 days</b>	Isolated negative local publicity	Breach of regulation or internal standard (limited sanctions)  Isolated internal control weaknesses	Declining staff dissatisfaction  Isolated instances of behaviours outside of value framework
<b>Minor (2)</b>	Uncontrolled financial losses between <b>£100k - £500k</b> / overspend in budget by <b>&gt;£100k</b>	Reduced service delivery / service disruption for <b>7 hours</b>	Local publicity, but manageable through communication channels	Breach of internal policies  Internal controls partially effective	Isolated areas of staff dissatisfaction / likely impact on absence and turnover
<b>Minimal (1)</b>	Uncontrolled financial losses less than <b>£100k</b> / overspend in budget less than <b>£100k</b>	Disruption managed within normal day to day operations	Unlikely to cause adverse publicity	Breaches of internal procedures / working practices	Loss of staff morale but unlikely to result in absence or turnover of staff

