

Appendix 1 - Corporate Risk Register Monitoring – Quarters 1 and 2, September 2020

1	<p>FAILURE TO PREVENT BUDGET OVERHEATING ONCE THE BUDGET HAS BEEN SET</p> <p>Owner: Alison Ball</p> <p>Current Risk and Direction of Travel: RED – Deterioration from Green B1 (Low likelihood; Negligible Impact)</p> <p>Definition:</p> <p><i>Shorter term implications of overspending budgets or not collecting as much income as forecasted. This can cause adverse impact on Council balances.</i></p> <p>Key Risk Driver: Financial Impact</p> <p>Raw Risk Value: Serious - £50k - £500k</p> <p>Corporate Risk Register Outstanding Controls:</p> <p><u>Actions completed during quarters 1 and 2:</u></p> <ul style="list-style-type: none">• Quarter 1 budget monitoring was completed and reported to Cabinet for consideration on 6 August. Quarter 1 reported a projected overspend of £420k, primarily due to estimated net Covid-19 impacts, including deferred efficiencies, and the additional pay award above that budgeted of 0.75%. Cabinet approved the use of appropriate earmarked reserves to ensure the budget be maintained within Cabinet's maximum approved by Council. Whilst this position is improved from that initially expected at the time of the Quarter 4 2020 risk update, due to the announcement of further government funding including the income compensation scheme, the Cabinet report noted the significant uncertainty that still remained around the full impact of the Covid-19 pandemic. The risks recognised included a potential resurgence of the virus, rising demand pressures and income losses e.g ongoing leisure centre capacity restrictions, and noted that future adjustments may be recommended in order to maintain a balanced budget and appropriate allocation of resources;• Quarter 2 budget monitoring was completed and reported to Cabinet for consideration on 12 November. Quarter 2 indicates that expenditure will be contained within that approved at Quarter 1 i.e. after approved use of additional earmarked reserves to fund Covid impacts. Covid impacts have improved marginally and some income levels have recovered better than
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	<p>initially forecast. Additional government emergency funding of £167k announced in October has enabled the reversal of £100k of the earmarked reserves usage approved at quarter 1 which, subject to no further pressures being identified, may now be available to support the future MTFP if required.</p> <p>Whilst a strategy has been identified to maintain a balanced budget as detailed above, the risks are now again increasing due to the emerging second wave of the virus requiring both local restrictions in Nottinghamshire and subsequently national restrictions, requiring further response activity and the closure of facilities. The 2020/21 budget will continue to be closely monitored and further mitigation measures may be recommended to secure a balanced position.</p>
2	<p>FAILURE TO MAINTAIN FINANCIAL INTEGRITY</p> <p>Owner: Alison Ball</p> <p>Current Risk and Direction of Travel: RED – No change (E4 major impact £500k to £1m)/very high likelihood)</p> <p>Definition:</p> <p><i>Affecting the ability of the Council to meet its financial commitments in the longer term.</i></p> <p>Key Risk Driver: Financial Impact</p> <p>Raw Risk Value: Critical - £1m+</p> <p>Corporate Risk Register Outstanding Controls:</p> <p>The Council's financial position remains extremely challenging and future funding remains uncertain.</p> <p>An increased risk level was reported in quarter 4 of 2019/20 due to the risks arising from the Covid-19 pandemic which remains unchanged as at quarter 2.</p> <p><u>Actions completed during quarters 1 and 2:</u></p> <ul style="list-style-type: none"> Quarter 1 - MTFP scenario planning was considered by SLT incorporating the increased risks presented by Covid in terms of spending pressures and the impact on income levels due to the lockdown and potential ongoing demand levels. After accounting for estimated grant funding a shortfall of c£0.7m to £1.0m for the 2020/21 full impact was projected (not all arising during 2020/21 i.e. collection fund deficits impact in the following year) which would need to be funded from earmarked reserves and additional savings. The Government announced

a further delay in the Fair Funding Review and Business Rates retention scheme which further inhibits meaningful medium term financial planning at a critical time. SLT reviewed the current approved efficiency programme to identify items at high risk of non-delivery to determine if any replacement plans need to be developed during the 2021/22 budget process alongside plans to deliver the target of £250k approved by Council in March 2020 and £100k to fund to ongoing pressure of the 2020/21 pay award in excess of that estimated.

- Quarter 2 - A mid-year review of the MTFP considering the potential ongoing impacts of Covid-19 was completed by SLT and reported to Cabinet in November. The report details the key financial risks and presents a reasonable case scenario for the future ongoing impacts and the potential funding gap requiring mitigation measures in the absence of government funding being made available in the local government finance settlement. The Chancellor of the Exchequer has confirmed there will be a one-year only settlement which, along with the previously confirmed deferral of the Fair Funding Review and Business Rates retention scheme, continues to inhibit meaningful financial planning. In a reasonable scenario mitigation measures of the use of earmarked reserves and an additional efficiency programme of £400k will be required to maintain a balanced MTFP. The MTFP will be closely reviewed during the budget process and recommendations for mitigation measures will be made to Budget Council in March as appropriate. The second wave of Covid-19 further increases risks to the economy and securing a sustainable MTFP in the absence of future government funding via the Settlement.
- Monitoring of the Brexit impact and action plan has been completed and will continue to be reviewed. Brexit negotiations are continuing with a trade deal still not finalised and this uncertainty is recognised as an additional risk to the achievement of a balanced Medium Term Financial Plan.

Actions outstanding:

- Implementation of Advertising, Sponsorship and Marketing strategies to generate additional funding;
- Development of a Procurement and Contract Management Strategy to ensure value for money in purchasing.

3	<p>FAILURE TO PROTECT STAFF, INCLUDING HEALTH & SAFETY ISSUES</p> <p>Owner: Helen Barrington</p> <p>Current Risk and Direction of Travel: AMBER – NO CHANGE</p> <p>Definition:</p> <p><i>Ineffective systems, processes and equipment that can present danger to individuals or groups of employees.</i></p> <p>Key Risk Driver: Health & Safety</p> <p>Raw Risk Value: Major – Loss of life / major illness</p> <p>Corporate Risk Register Outstanding Controls:</p> <p><u>Actions completed during quarters 1 and 2:</u></p> <ul style="list-style-type: none"> • Health and Safety annual risk assessment declarations were introduced and completed by Service Managers; • Covid-19 secure risk assessments have been completed by all service areas prior to staff moving back into our buildings as restrictions are lifted and as we re-instate services. An additional 104 risk assessments have been generated that are covid-related; <p><u>Actions outstanding:</u></p> <ul style="list-style-type: none"> • Full implementation of emergency evacuation templates at each council location, delayed due to Covid-19; • Periodic reviews of Covid secure risk assessments in light of most recent government advice. • Transfer all completed risk assessments on to the e-system.
4	<p>FAILURE TO RECRUIT AND RETAIN STAFF, AND MAINTAINING INTERNAL CAPACITY</p> <p>Owner: Helen Barrington</p> <p>Current Risk and Direction of Travel: AMBER – NO CHANGE</p> <p>Definition:</p> <p><i>Associated with the particular nature of each profession, internal protocols, managerial abilities, and sickness levels.</i></p> <p>Key Risk Driver: Service Provision</p>

Raw Risk Value: Serious – Significant elements of a service suspended / reduced

Corporate Risk Register Outstanding Controls:

As a consequence of budget pressures, decreasing workforce, increasing workload and higher customer expectations we are seeing an impact on capacity and resilience which may result in a potential reduction in performance. Work is needed to help improve organisational capacity and resilience by developing the skills and abilities of key leaders and staff.

Actions completed during quarters 1 and 2:

- Implementation of the Agile Working Strategy is ongoing and was accelerated to enable the rapid implementation of home working due to Covid-19 restrictions with a fully agile combined risk assessment completed. The Agile Working business case was circulated to Service Managers for comment and will be considered at a future meeting of SLT;
- A benefit statement for employees has been completed and circulated to staff in June 2020.
- A first draft of the Workforce Strategy has been completed and approved by to SLT in October including an action plan and timeline for implementation

Actions outstanding:

- Workforce Strategy to be formally approved and implemented. The Strategy will seek to ensure that staff are creative, flexible and have the right skills to respond positively to the challenges that lie ahead;
- Final approval and implementation of the Agile Working Strategy business case.

5

FAILURE TO PROPERLY UTILISE EXISTING ICT, REACT TO TECHNOLOGY CHANGES, AND PREVENT DATA LOSS

Owner: Helen Barrington

Current Risk and Direction of Travel: RED – NO CHANGE

Definition:

The capacity of the Council to deal with the pace / scale of technological change, or its ability to use technology to address changing demands. Challenges over the security, storage and retention of both electronic and manual records, and data.

Key Risk Driver: Objectives

	<p>Raw Risk Value: Major – Directorate objectives not met</p> <p>Corporate Risk Register Outstanding Controls:</p> <p><u>Actions completed during quarters 1 and 2:</u></p> <ul style="list-style-type: none"> • An agreement has been reached with partners and the software provider of the Abris Housing Needs system for the separation of the database to secure GDPR compliance. Contracts for the implementation have been finalised and work commenced in August with completion expected by December 2020; • General Data Protection Regulations – the delivery of the project plan to ensure that the Council responds to the requirements of the Act is essentially complete with ongoing compliance now the risk. Essential training for new staff and refresher training has been deferred due to Covid; • Ongoing implementation of the Digital Strategy annual action plan which sets out a requirement that the technological solutions we invest in are used to their full potential; • A staffing report to enable the establishment of the post approved in a resource development bid for an additional IT Technical Officer to support the delivery of key digital projects and ensure that the robustness of cyber system security processes are maintained, was approved by SLT and the post has been advertised. <p><u>Actions outstanding:</u></p> <ul style="list-style-type: none"> • Cyber Security risk assessment – the first draft has been considered by SLT and further information requested but the response has been delayed due to Covid-19. The Internal Audit Team (BDO) is to currently undertaking an advisory cyber risk review which will support the conclusion of the risk assessment; • Abris Housing Needs system amendments to be implemented; • Ongoing implementation of the Digital Strategy action plan. The Strategy will be refreshed to ensure that it effectively supports the future three year Gedling Plan.
6	<p>FAILURE TO PROTECT & UTILISE PHYSICAL ASSETS</p> <p>Owner: Mike Avery</p> <p>Current Risk and Direction of Travel: AMBER – NO CHANGE</p> <p>Definition:</p>

Buildings that are fit for purpose, safe, secure, and meet legislative requirements for fire, asbestos, and water-testing. Land, buildings and other assets to be recorded on a database.

Key Risk Driver: Health & Safety

Raw Risk Value: Major – Loss of life / major illness

Corporate Risk Register Outstanding Controls:

Actions completed during quarters 1 and 2:

- The rolling programme of condition surveys for all council-owned buildings is continuing and is now 75% complete;
- Suitability and sufficiency surveys of all Council assets has commenced as part of the asset management planning process;
- Parks Risk Review - plans to increase the level of tree inspection works to support the development of a tree register are in development;
- Counter Terrorism Review – a security review has been completed by external agents and an action plan development which will now be reported to SLT for approval.

Actions outstanding:

- A tree register is to be developed to support the parks risk review work;
- Completion of the asset condition and suitability surveys;
- Approval and implementation of the actions arising from the Counter Terrorism Review.

7

FAILURE TO REACT TO CHANGES IN LEGISLATION

Owner: Helen Barrington

Current Risk and Direction of Travel: AMBER – NO CHANGE

Definition:

Associated with current or potential changes in national or European law which can lead to possible breaches of legislation. Assessing the wider implications of new legislation on both the Council and its residents.

Key Risk Driver: Financial Impact

Raw Risk Value: Major - £500k - £1m

	<p>Corporate Risk Register Outstanding Controls:</p> <p><u>Actions completed during quarters 1 and 2:</u></p> <ul style="list-style-type: none"> • General Data Protection Regulations and Data Protection Act 2018 – the delivery of the project plan to ensure compliance is essentially complete with ongoing compliance now the risk; • Universal Credit implementation is ongoing. All government guidance is monitored but the pace of roll-out is slower than predicted. <p><u>Actions outstanding:</u></p> <ul style="list-style-type: none"> • Implement any outcomes from the Recycling and Waste Strategy consultation. Requirements may include an increase in recycling requirements and consequent funding implications but the outcome of the consultation is still awaited; • A new risk identified was identified in 2019/20: the Supreme Court is currently considering a case in respect of annual leave and associated payments for irregular workers e.g. casual workers, which may have consequences for all employers nationally – the outcome is awaited and the impact for the Council will be determined.
8	<p>FAILURE OF CONTRACTORS OR PARTNERSHIP ARRANGEMENTS – CONTRACTUAL BREACHES</p> <p>Owner: Helen Barrington</p> <p>Current Risk and Direction of Travel: AMBER – NO CHANGE</p> <p>Definition:</p> <p><i>Associated with the failure of contractors and partnership arrangements to deliver services or products to the agreed cost and specification.</i></p> <p>Key Risk Driver: Financial Impact</p> <p>Raw Risk Value: Serious - £50k - £500k</p> <p>Corporate Risk Register Outstanding Controls:</p> <p><u>Actions completed during quarters 1 and 2:</u></p> <ul style="list-style-type: none"> • Implementation of the contract management module of the new procurement system is ongoing and the transfer of legacy information into the contracts register has commenced but implementation is delayed due to Covid with completion now expected in quarter 3 of 2020/21; • Client officer and construction management guidance and templates have been introduced.

	<p><u>Actions outstanding:</u></p> <ul style="list-style-type: none"> • Contract management processes are to be developed and implemented as part of the new e-procurement system; • A review of procurement and supply chain issues related to Brexit subsequent to trade negotiations.
9	<p>INABILITY TO DEFEND ONE-OFF CHALLENGES TO A COUNCIL DECISION OR NEW COMPENSATION TREND EMERGES</p> <p>Owner: Helen Barrington</p> <p>Current Risk and Direction of Travel: GREEN – NO CHANGE</p> <p>Definition:</p> <p><i>Councils are increasingly vulnerable to judicial reviews and new compensation claims.</i></p> <p>Key Risk Driver: Financial Impact</p> <p>Raw Risk Value: Serious - £50k - £500k</p> <p>Corporate Risk Register Outstanding Controls:</p> <p><u>Actions completed during quarters 1 and 2:</u></p> <ul style="list-style-type: none"> • None to be delivered. <p><u>Actions outstanding:</u> There are currently no outstanding control gaps in the strategic or operational risk registers relating to this corporate risk.</p>
10	<p>FAILURE TO MAINTAIN SERVICE STANDARDS, CUSTOMER SATISFACTION, AND/OR MEET CUSTOMER EXPECTATIONS</p> <p>Owner: Helen Barrington</p> <p>Current Risk and Direction of Travel: AMBER – NO CHANGE</p> <p>Definition:</p> <p><i>Related to channel shift to more digital on-line services but retaining the availability of face-to-face services. Affecting the competitiveness of the service (in terms of cost or quality) and/or its ability to deliver best value.</i></p> <p>Key Risk Driver: Reputation</p>

	<p>Raw Risk Value: Major – Adverse national publicity</p> <p>Corporate Risk Register Outstanding Controls:</p> <p>The emergence of the Covid-19 pandemic has caused the deterioration in the assessed level of risk in quarter 4 of 2019/20. Covid-19 resulted in a number of service closures and suspensions in quarter 4 due, both to the government imposed restrictions, and the uncertainty of available staffing levels due to sickness, shielding and the prioritisation of critical services. The consequence is a possible adverse impact on service standards and customer satisfaction. Improvements in the risk level are expected as service levels return to normal but this could be impacted by a second outbreak of Covid 19. The impact is not expected to continue in the longer term.</p> <p><u>Actions completed during quarters 1 and 2:</u></p> <ul style="list-style-type: none"> Monitoring of complaints received for Covid-19 related impacts has been completed and initially did not indicate any significant issues during quarter 1. However, increased incidents of customer frustration have emerged during quarter 2 due to full service levels not being possible in all areas due to Covid. <p><u>Actions outstanding:</u></p> <ul style="list-style-type: none"> To continue complaints monitoring and resume service levels when the risks are reduced and staffing levels and government guidance enable us to do so.
11	<p>FAILURE TO PREVENT DAMAGE TO THE COUNCIL'S REPUTATION</p> <p>Owner: Mike Hill</p> <p>Current Risk and Direction of Travel: GREEN – NO CHANGE</p> <p>Definition:</p> <p><i>Related to the Council's reaction to a specific event or issue, or generally a downturn in quality of service.</i></p> <p>Key Risk Driver: Reputation</p> <p>Raw Risk Value: Major – Adverse national publicity</p> <p>Corporate Risk Register Outstanding Controls:</p> <p><u>Actions completed during quarters 1 and 2:</u></p> <p>Quarterly monitoring of performance information by SLT is an embedded process and timely management action is taken to address any service quality issues arising.</p>

	<p><u>Actions outstanding:</u> There are currently no outstanding control gaps in the strategic or operational risk registers relating to this corporate risk.</p>
12	<p>FAILURE TO REACT TO AN ENVIRONMENTAL INCIDENT OR MALICIOUS ACT</p> <p>Owner: Mike Hill</p> <p>Current Risk and Direction of Travel: GREEN – Improvement from Amber B3 to Serious Impact/Low Likelihood to B2 Minor Impact/Low Likelihood</p> <p>Definition:</p> <p><i>Council reaction to a natural occurrence e.g. widespread flooding, or other events such as fire and explosions.</i></p> <p>Key Risk Driver: Reputation</p> <p>Raw Risk Value: Major – Adverse national publicity</p> <p>Corporate Risk Register Outstanding Controls:</p> <p>The emergence of the Covid-19 pandemic revealed some gaps in existing Business Continuity Plans meaning that some control gaps existed and the previously assessed risk level was too low.</p> <p><u>Actions completed during quarters 1& 2:</u></p> <ul style="list-style-type: none"> • Cabinet approved the Business Continuity Policy and Business Continuity Impact Assessment Guidance in July; • All Business Continuity Impact Assessments have been reviewed and completed in accordance with the updates Business Continuity Policy ensuring a full suite of plans covering all risk events is now available. <p><u>Actions outstanding:</u></p> <ul style="list-style-type: none"> • Development of business continuity promotion page on the website.
13	<p>FAILURE TO REACT TO SOCIO-ECONOMIC TRENDS</p> <p>Owner: Mike Hill</p> <p>Current Risk and Direction of Travel: GREEN - NO CHANGE</p>

	<p>Definition:</p> <p><i>Relating to the effects of changes in demographic, residential, or socio-economic trends on the Council's ability to meet its objectives.</i></p> <p>Key Risk Driver: Reputation</p> <p>Raw Risk Value: Serious– Adverse regional publicity</p> <p>Corporate Risk Register Outstanding Controls:</p> <p><u>Actions completed during quarters 1 and 2:</u></p> <ul style="list-style-type: none"> • The Senior Leadership Team receives economic indicator reports on a bi-annual basis that reports over the themes of homelessness, new homes, benefits and income, and local economy. SLT reflect on these demographic trends and ensure they are fully reflected in service planning processes to ensure needs continue to be met. <p><u>Actions outstanding:</u></p> <ul style="list-style-type: none"> • To undertake a 'Visioning' exercise to identify longer term forecasts for socio-economic trends and how these will be reflected in the longer term priorities for the Council to ensure services can meet future needs within available resources.
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HIGH RISK AUDIT RECOMMENDATIONS RAISED IN PREVIOUS YEARS BUT NOT YET IMPLEMENTED:

There are no high risk audit recommendations from previous years that have not been addressed and implemented.

HIGH RISK AUDIT RECOMMENDATIONS RAISED IN THIS FINANCIAL YEAR:

There have been no high risk recommendations reported to date during 2020/21.

APPENDIX 2 - RISK MANAGEMENT SCORING MATRIX

Likelihood	Very High	E				2			
	High	D			1				
	Significant	C		4	6, 7, 10	5			
	Low	B		11, 12, 13	3, 8,				
	Very Low	A			9				
			1	2	3	4	5		
			Negligible	Minor	Serious	Major	Critical		
			Impact						