



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Governance and Audit Committee

20 April 2022

Report of: Councillor Adam Stokes
Deputy Leader of the Council



Strategic Risk Register

One of the key areas for Governance and Audit Committee, as part of its terms of reference, is to monitor and review the risk management arrangements in place and the activities that are being undertaken to mitigate those risks. In accordance with Governance and Audit Committee's workplan the Strategic Risk Register will be presented to Committee twice a year for review.

Report Author

Tracey Elliott (Governance & Risk Officer)



01476 406038



t.elliott@southkesteven.gov.uk

Corporate Priority:	Decision type:	Wards:
A High Performing Council	Administrative	All Wards

Reviewed by:	Alison Hall-Wright, Assistant Director of Finance & ICT	2 March 2022
Approved by:	Richard Wyles, Chief Finance Officer	4 March 2022
Signed off by:	Councillor Adam Stokes, Deputy Leader of the Council	7 March 2022

Recommendation to the decision maker

- 1. Governance and Audit Committee is asked to note the contents of this report and review the updated Strategic Risk Register attached at Appendix A.**

1 The Background to the Report

- 1.1 The Strategic Risk Register was last reviewed at the September 2021 meeting of Governance and Audit Committee.
- 1.2 Governance and Audit Committee will recall that the strategic risks were formed following a review and mapping of the previous corporate risks in June 2020 – the link is provided under Section 10, Background Papers. This approach was adopted to enable the strategic risks to be thematic (rather than specific) based thus enabling specific risks to be included and removed as and when the risk is identified.
- 1.3 In accordance with the terms of reference it is the role of the Committee to focus and develop the strategic rather than the operational risks of the Council. Operational risks, by their very nature, tend to be very service specific which may lead to operational challenges such as staffing, legislative changes, ICT changes to name a few examples. Heads of Service within the Authority are responsible for the management of operational risks – operational risks are only escalated to strategic risks where there is evidence that the risk is significant and cross organisational rather than service specific.
- 1.4 The Strategic Risk Register is a dynamic and responsive document and is reviewed to reflect the current and changing environment of the Council from both internal and external influences. The risk controls are those currently in place across the respective risk area and the 'Action' column captures the emerging and developing actions to further strengthen and mitigate the risk.
- 1.5 The format of the Register consists of the following:
- Risk Title and Description – brief description of risk
 - Effects of Risk Realisation – what would occur should the risk materialise
 - Current Circumstances – brief summary of the present situation
 - Risk Controls – summary of all the risk controls that are currently in place
 - Residual Risk Score – assessment of risk after risk controls considered
 - Actions – list of actions being undertaken along with a progress update
- 1.6 CMT colleagues have reviewed the strategic risks, including the actions, and the updated Register is attached at Appendix A with changes and action updates summarised below:
- 1.7 **Strategic Risk 1: Ensuring efficient and effective internal control/compliance**

Current circumstances have been updated to reflect the latest position in respect of the Council's self-referral to the Regulator of Social Housing. The action plan, arising from the referral, has been implemented to address the matters raised. The Council should be in a position of broad compliance in terms of landlord health and safety by the end of March 2022.

Good progress has been made with implementing the actions:

- Annual Assurance Statements have been completed by Heads of Service and an action plan to respond to any areas of concern highlighted will be introduced
- Independent governance review action plan has been implemented

- The new housing compliance system has been implemented which captures that all electrical certifications are complete; fire risk assessments are up to date and that gas servicing performance is consistent with current sector performance. A full stock condition survey is also underway
- Scheme of Delegation and Member Code of Conduct have been reviewed and implemented
- Review of Scrutiny has been completed
- A comprehensive review of the Council's Constitution is underway

1.8 **Strategic Risk 2: Achieving Council transformation**

Current circumstances remain unchanged i.e. the Council continues to effectively respond to a change in circumstances to ensure continuous operations.

Good progress has been made with implementing the actions:

- Office accommodation is being reviewed with a proposal to move to hybrid working capturing the benefits of staffing working from home and from Council specific locations
- The impact of Covid-19 on South Kesteven, including responses and the financial impact, which was reported to Finance, Economic Development and Corporate Services Overview and Scrutiny Committee on 22 February 2022
- Resources, as part of the budget setting process, have been allocated appropriately to ensure that the Corporate Plan actions can be delivered
- The Local Government Association Corporate Peer Review has been undertaken and an action plan will be implemented
- Scheme of Delegation and Member Code of Conduct have been reviewed and implemented
- A comprehensive review of the Council's Constitution is underway
- Scoping document for the ICT roadmap is being developed

1.9 **Strategic Risk 3: Supporting communities**

Current circumstances remain unchanged i.e. communities are likely to be negatively impacted due to the ongoing impact of Covid-19.

Good progress has been made with implementing the actions:

- Condition surveys for Bourne, Grantham and Stamford Leisure Centres have been independently commissioned and are due back by the end of March 2022
- The Covid-19 Recovery Plan continues to be implemented in partnership with others from the Lincolnshire Resilience Forum with a view to moving to 'living with Covid-19'
- A report providing overview and update on the fund projects in Grantham will be considered by Finance, Economic Development and Corporate Services Overview and Scrutiny Committee in May 2022
- A Welcome Back Fund grant of £252,909 was secured from the Department for Levelling Up, Housing and Communities for the District's four main towns and will be spent on new and one-off events and interventions to attract visitors and help boost the

look and feel of high streets, as well as prepare for the safe return of shoppers and tourists.

- Following approval at Cabinet in February 2022, InvestSK will be brought in-house with the brand name retained to reflect its positive reputation amongst the business community
- In respect of the waste delivery service the publication of the Government's response to Defra's consultation on proposed changes to waste collection is still awaited with the latest information that this will be published in 'early 2022'. The Council will continue to monitor and respond when the specific requirements and implementation timescales are announced
- Planning review recommendations have been considered and the amendments to the Council's Constitution relating to planning decision making will be presented to the April Constitution Committee, as part of the wider review of the Constitution, and will be further considered by Council in May 2022
- A housing review has been undertaken and the Council has adopted an improvement plan, based on the regulatory framework, to improve services to Council tenants. This includes adoption of a Void Policy and Re-Let Standard and a Housing Customer Feedback Policy and a digital tenant satisfaction survey
- Following review of the Arts, Culture and Events Service and having received recommendations on the way forward from the Culture and Visitor Economy Overview and Scrutiny Committee, Cabinet agreed to implement a staffing restructure for the Arts, Culture and Events Service. Culture and Visitor Economy Overview and Scrutiny Committee in April will oversee and scrutinise the general programmes at Stamford and Grantham Arts Centres and the Bourne Corn Exchange, opening hours and work plan
- The Council is working towards submission of the plan to the Secretary of State in December 2023. The Council has carried out a call for sites and officers are working through the information. Work is continuing on various evidence based background documents that will inform the local plan

1.10 **Strategic Risk 4: Achieving future financial resilience**

Current circumstances have been updated to capture that the Housing Revenue Business Plan will be updated following the financial modelling arising from the 100% stock condition survey. The stock condition survey is being undertaken to allow a review of the business plan and development of a clear Asset Management Strategy.

Good progress has been made with progressing the actions:

- Financial modelling has been undertaken alongside the development of the Medium Term Financial Plan. The financial risk ratio analysis has been presented to Members as part of the budget proposals
- Capital bids are presented on a corporate template and scored alongside the Corporate Plan
- Treasury Management Strategy has been updated in accordance with the Financial Management Code recently published by CIPFA

- Corporate assets have been reviewed to balance the Council's own accommodation needs, the operational needs of asset retention, holding costs and the disposal opportunity. To support this review an Asset Disposal Strategy was approved by Cabinet in December 2021

1.11 **Strategic Risk 5: Creating the right culture, capacity and capability**

Current circumstances have been updated to capture that the Local Government Association Corporate Peer Challenge identified that the Council has much to be proud of, particularly with regards to the response to Covid-19 and the way in which the Leadership Team have addressed long standing challenges.

Good progress has been made with progressing the actions:

- People Strategy was approved by Employment Committee January 2022
- Learning and development programme will be formulated from the annual staff appraisals
- A review of resources across the Council has been undertaken and a restructure proposal was considered at a meeting of the Employment Committee on 23 February 2022
- Employee Survey action plan is being developed
- Learning and development programme, including fostering leadership skills, is being developed alongside the budget for 2022/23 and this action will be incorporated
- The Member/Officer protocol to be reviewed and updated

1.12 **Strategic Risk 6: Ability to be agile and shift focus in response to policy and national political change**

In addition to the existing controls for this risk, there are proposals to allocate specific resource in this important area whose primary role will be to identify and capture national and regional policy change that may impact on the Council.

1.13 **Strategic Risk 7: Ensuring robust security measures to protect the Council's data and assets from cyber threats**

The Council continues to defend itself against the constantly evolving threat from cyber based attacks.

Good progress has been made with implementing the actions:

- All laptops and servers are now on Microsoft Defender
- A penetration test was undertaken in August 2021
- Online cyber training has been identified and will be rolled out once the learning management software goes live
- IT policies are being reviewed
- Servers and software are in the process of being replaced with any that cannot be removed being secured by other means

2 Consultation and Feedback Received, including Overview and Scrutiny

2.1 Governance and Audit Committee is asked to review the draft Strategic Risk Register attached at Appendix A.

3 Reasons for the Recommendation

3.1 Governance and Audit Committee, as part of its terms of reference, is required to monitor and review the risk management arrangements in place and the activities that are being undertaken to mitigate those risks.

4 Next Steps – Communication and Implementation of the Decision

4.1 N/A

5 Financial Implications

5.1 These are contained within the report where appropriate.

Financial Implications reviewed by: Richard Wyles, Chief Finance Officer

6 Legal and Governance Implications

6.1 Members of the Committee are responsible for monitoring actions taken, and to be taken, on behalf of the Council to identify strategic risks and assess whether they are being effectively managed. It is essential they are kept up to date with details of the risks and how they have been mitigated.

Legal Implications reviewed by: Graham Watts, Assistant Director Governance and Deputy Monitoring Officer

7 Equality and Safeguarding Implications

7.1 None.

8 Risk and Mitigation

8.1 These are contained within the report where appropriate.

9 Community Safety Implications

9.1 None.

10 Background Papers

10.1 Governance and Audit Committee 4 June 2020

[Mapping of Corporate Risks to Strategic Risks](#)

11 How will the recommendations support South Kesteven District Council's declaration of a 'climate emergency'?

The recommendation will have a neutral effect on the Council's declaration of a climate emergency.

12 Appendices

12.1 Appendix A – Draft Strategic Risk Register March 2022