



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL



# Governance and Audit Committee


28 September 2022

Report of Councillor Adam Stokes,  
Deputy Leader of the Council

## Strategic Risk Register

### Report Author

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### Purpose of Report

To provide an update on the Council's Strategic Risk Register.

### Recommendation

**That the Committee notes the progress made of the actions for each of the strategic risks and identifies any areas of feedback.**

### Decision Information

Does the report contain any exempt or confidential information not for publication?

No

What are the relevant corporate priorities?

High performing Council

Which wards are impacted?

All

## **1. Implications**

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

### ***Finance and Procurement***

1.1 There are no specific finance or procurement implications arising from this report.

### ***Legal and Governance***

1.2 There are no specific legal and governance implications arising from this report.

### ***Risk and Mitigation***

1.3 These are contained within the report.

## **2. Background to the Report**

2.1 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. The Strategic Risk Register was last reviewed at the 20 April 2022 meeting of Governance and Audit Committee.

2.2 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.

2.3 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 – 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

- 2.4 Corporate Management Team has reviewed the strategic risks, including the actions, and the updated Register is attached at Appendix A with changes and action updates captured below.

### **3. Key Considerations**

#### **3.1 Strategic Risk 1 – Ensuring efficient and effective internal control/compliance**

Current circumstances have been updated to reflect the improvement in compliance in terms of landlord health and safety. The level of non-compliance has led to an increased level of risk exposure. Work is ongoing to seek removal of the Regulatory Notice.

Good progress has been made with implementing the actions:

- Completion of the management Annual Assurance Statement
- Completion of the action plan arising from the Independent Governance Review
- Progress ongoing with social housing non-compliance with continued engagement with the Regulator. There has been significant improvements across key performance areas and robust action plans are in place. External audit validation to be sought late 2022/23 to support removal of the Notice
- Completion and implementation of a comprehensive review of the Constitution, including the Scheme of Delegation. The LGA model Councillor Code of Conduct has also been adopted

There is a new action around a Combined Assurance Review to be undertaken by Assurance Lincolnshire – the approach is being discussed and agreed with the review planned for the autumn.

#### **3.2 Strategic Risk 2 – Achieving Council transformation**

Good progress has been made with implementing the actions:

- Approval has been provided to relocate the main Council offices to a reduced location at St Catherine's Road, Grantham. This will result in a significant reduction of operational costs and create an open plan working environment
- Completion of "lessons learned" from Covid-19 with a report presented to Finance, Economic Development and Corporate Services Overview and Scrutiny Committee on 22 February 2022
- Allocation of resource to support Corporate Plan ambitions with the 2023/24 budget setting process following the Corporate Plan aims
- Partnerships review, with other public sector partners to explore new and existing opportunities to deliver to residents and businesses, has commenced with a partnerships register being developed

- Completion of Peer Review within 2021-22 with action plan being implemented
- Completion and implementation of a comprehensive review of the Constitution, including the Scheme of Delegation. The LGA Model Councillor Code of Conduct has also been adopted
- Draft ICT Strategy has been developed and will be presented to Finance, Economic Development and Corporate Services Overview and Scrutiny Committee on 27 September

The Residual Risk Score has been reviewed to reflect the good progress made with actions, with the Impact being reduced to “2 Moderate” (from “3 Major”) resulting in a Medium risk (from High).

### 3.3 Strategic Risk 3 – Supporting communities

Good progress has been made with implementing the actions:

- Condition surveys for Bourne, Grantham and Stamford leisure facilities have been independently assessed and a review is underway to segment and prioritise
- Completion of the Covid-19 Recovery Plan with a view to moving to living with Covid-19
- Progress made in the delivery of the Future High Streets Fund programme for Grantham was considered by Finance, Economic Development and Corporate Services Overview and Scrutiny Committee on 3 May 2022. An update report will be considered within 12 months
- Culture and Visitor Economy Overview and Scrutiny Committee received a report on 14 June 2022 summarising the works, interventions, and activities undertaken using the Welcome Back Fund, including lessons learned and recommendations for improvement
- InvestSK was brought in-house in April 2022
- Government response to Defra’s recent consultation on future proofing waste service delivery is still awaited. A full service review including fleet, rounds and automation has commenced, and new routing software will support changes where necessary
- Amendments to the Council’s Constitution relating to planning decision making were presented to Constitution Committee in April, as part of the wider review of the Constitution, and were further considered by Council in May 2022
- Housing review has been undertaken and the Council has adopted an improvement plan, based on the regulatory framework, to improve services to Council tenants. A tenant-wide survey has been undertaken – the “Big Listen” – to inform service improvements. 30 year Housing Revenue Account Business Plan is being developed over the next six months

- The Council continues to work in partnership with the police and the community in tackling crime by investing in the CCTV service and development of a Community Safety Working Group
- Culture and Visitor Economy Overview and Scrutiny Committee on 6 September 2022 considered key themes for inclusion in the new Cultural Strategy and endorsed the commencement of a procurement exercise to appoint a suitably qualified consultant to work with Officers and Members to develop the new Strategy. Work to commence on exploring an operating trust model for Stamford Arts Centre
- The Council is working towards submission of the Local 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 continues on various evidence based background documents that will inform the local plan

#### 3.4 Strategic Risk 4 – Achieving future financial resilience

Good progress has been made with implementing the actions:

- Financial modelling undertaken alongside the development of the Medium Term Financial Plan. Financial risk ratio analysis will be presented to Members as part of developing the budget for 2023/24
- Robust capital scoring and appraisal methodology forms part of the capital strategy and all 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 and will continue to be reviewed in response to the current financial climate
- 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

#### 3.5 Strategic Risk 5 – Creating the right culture, capacity and capability

Good progress has been made with implementing the actions:

- People Strategy 2022/25 was approved by Employment Committee in January 2022. A working group has been established to review the pay of key roles across the Council
- Annual appraisals have been completed by the majority in Quarter 1 with a final deadline of September 2022
- Review of resources has been undertaken and Phase 2 of the restructure is currently underway to be completed this financial year
- Employee Survey action plan has been created with input from the People Panel and the wider Council. Implementation continues ahead of the next survey in November 2022

- Learning and development programmes, including fostering leadership skills, is being deployed in September 2022
- Political awareness training session being held in Quarter 3. Member/Officer Protocol in place as part of the Constitution. Development sessions facilitated by the LGA held with Corporate Management Team, Cabinet, the administration and the opposition regarding roles and responsibilities

3.6 Strategic Risk 6 – Ability to be agile and shift focus in response to policy, national political change, and changes to the external environment

The risk title has been expanded to include changes to the external environment.

Current circumstances have been updated to include the cost of living crisis which has been caused by unprecedented inflationary increases primarily related to the cost of utilities. There is a new action around this:

- Cost of living response group formed with an action plan being developed to support the community including residents and businesses

Policy Officer role has been created and the development of a Policies and Strategies Register will be a key objective which is an action from the recent internal audit of Governance.

3.7 Strategic Risk 7 – Ensuring robust security measures to protect the Council's data and assets from cyber threats

Current circumstances has been updated to reference the creation of a Cyber Treatment Plan and that the East Midlands Cyber Security Network (EMGWARP) has reviewed the Council's email security and a rating of 94% was awarded.

Good progress has been made with implementing the actions:

- Office 365 fully rolled out to all users and devices
- Penetration test undertaken in August 2021 and active monitoring developed
- Online cyber training is available on the learning management software. Completion of the training will be monitored to ensure that it is completed by all key officers
- Policies are being reviewed and updated where required to ensure they contain up-to-date information regarding ICT usage and cyber security
- Cyber breach policy created including an incident playbook
- Servers and software are in the process of being replaced. Any that cannot be removed will be secured by other means

There is a new action around the Cyber Treatment Plan implementation:

8 of the 20 High risk recommendations have been completed and the remaining 12 are in progress.

4 of the 9 Medium risk recommendations have been completed, 3 are in progress and 2 not started.

1 of the 3 Low risk recommendations have been completed and the remaining 2 have not been started

#### **4. Other Options Considered**

4.1 No other options are considered other than to note the report.

#### **5. Reasons for the Recommendations**

5.1 The report is for noting.

#### **6. Appendices**

6.1 Appendix A – Draft Strategic Risk Register