



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Governance and Audit Committee


15 March 2023

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

The Governance and Audit Committee is asked to note 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Does the report contain any exempt or confidential information not for publication?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

- 1.1 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

- 1.2 There are no specific finance or procurement implications arising from this report. The Strategic Risk Register is regularly reviewed to ensure agreed actions are implemented and new risks and remedial actions are identified as necessary.

Completed by: Richard Wyles, Chief Finance Officer

Legal and Governance

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

Completed by: Graham Watts, Assistant Director of Governance and Monitoring Officer

Risk and Mitigation

- 1.4 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 28 September 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. Agreed actions are being implemented in order to seek removal of the Regulatory Notice at the earliest opportunity.

Progress has been made with implementing the actions with one being completed and two in progress:

- Completion of the mid-year management assurance statement.
- Combined Assurance Review currently being undertaken by Assurance Lincolnshire. Questionnaires (including questions around critical activities, key projects, key partnerships, and service risks) have been completed ahead of workshops with assistant directorates mid-March. The Combined Assurance Report will be presented to Governance and Audit Committee in June 2023.
- 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 commenced December 2022 to support evidence to seek removal of the Notice.

3.2 Strategic Risk 2 – Achieving Council transformation

Good progress has been made with implementing the actions with two being completed and two in progress:

- The Council offices relocated to The Picture House St Catherine's Road Grantham on 9 January 2023. The modern, open-plan office will improve business efficiency, working conditions and save an estimated £300,000 a year in running costs.

- 2023/24 budget setting process has followed the Corporate Plan aims. Resources will be allocated appropriately to ensure actions are delivered. The 2023/24 Budget Framework was approved by Council on 1 March 2023.
- Partnerships Register is being finalised subject to review by Corporate Management Team in April 2023.
- ICT Strategy was approved by Finance, Economic Development and Corporate Services Overview and Scrutiny Committee on 27 September 2022.

3.3 Strategic Risk 3 – Supporting communities

Good progress has been made with implementing the actions all of which are ongoing:

- Building condition surveys at the leisure centres have resulted in a replacement boiler at Stamford Leisure Pool, replacement air conditioning at Bourne Leisure Centre and replacement fire doors are being installed at Bourne, Grantham and Stamford. The remaining works vary across the three centres including replacement air conditioning, replacement boilers, filter refurbishments, Ultraviolet (UV) System update, chemical dosing system, fire doors, water system works and wave machines. These works will continue into 2023/24 financial year.
- Finance, Economic Development and Corporate Services Overview and Scrutiny Committee received a progress report on public realm projects; Strategic site acquisition; Station Approach Masterplan; Upper Floor Grants Programme; Grantham Town Team, Programme Support and Recruitment; and a summary of engagement with the Department for Levelling Up, Housing and Communities (DLUHC). There has been a project change with the reduction in scope of the Station Approach scheme, agreement to a project adjustment will be sought from DLUHC.
- At Council on 26 January 2023 a grant of £3,898,582 (revenue expenditure of £3,069,306 and capital expenditure of £673,334) was accepted from the UK Shared Prosperity Fund (UKSPF) for 2022/23, 2023/24 and 2024/25, along with a £20,000 revenue contribution towards development costs of the UKSPF Investment Plan. A wide range of Economic Development and 'Communities' interventions across South Kesteven eligible for UKSPF investment. The inaugural Member UKSPF Board met on 8 February 2023 to agree the Year One project list.
- The Government response to the Consistency in Household Recycling Consultation is still awaited. This will provide the framework to implement the Environment Act 2021 which includes the introduction of weekly food waste collections and separate collections of other recyclable materials. Regulations relating to the collection of food waste are expected to be laid in summer 2023 with proposed implementation date from March 2025, subject to any transitional arrangements agreed with waste disposal authorities. New burdens funding is expected (to be announced December 2023), however, details the funding formula and criteria are still awaited. There will be

significant expenditure expected eg additional vehicles, premises space for additional vehicles, staffing etc. The potential implementation of twin stream (separate collection of paper and card) from January 2024 will support the requirements of the Environment Act. The Government has responded to the consultation on Extended Producer Responsibility which will introduce payments to Councils based on them being effective and efficient. Payments are expected to start from April 2024, but the formula and details are still awaited. The review of the waste collection rounds is expected to be completed by the end of March 2023 with modelling of scenarios then being undertaken which would seek to improve efficiency and better inform future procurement needs will provide options for further consideration to restructure rounds.

- 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. A restructure of the housing team has been completed and provides a fit for purpose structure moving forwards.
- An allocation has been made for the provision of free public Wi-Fi, having received agreement from the inaugural UKSPF Member Board, to be incorporated into the wider capital programme to upgrade the Council’s network of CCTV cameras from analogue to digital. The Wi-Fi would serve the public spaces where CCTV is installed in Grantham, Stamford, Bourne and Market Deeping. A proposal to relocate the CCTV function to within the Police headquarters is being progressed.
- Consultation, which will be used to feed into a draft Cultural Strategy, has been ongoing and will continue until the consultant is ready to deliver their thoughts on the strategy or to offer solutions to the challenges we are facing. As part of information gathering, and for Members to share their thoughts and ambitions for the service, a workshop took place in January 2023. Two very informative meetings were also held at Stamford and Grantham. The Cultural Strategy will pull together the Council’s vision and ambition, backed by a clear (and measurable) action plan. Legal advice on setting up a trust model for Stamford Arts Centre is currently under officer review.
- The Local Plan review rolls the Local Plan period forward by five years from 2036-2041 to ensure the Local Plan covers a 20-year period (2021-2041). Work on the Local Plan Review began in April 2020 in line with the adopted Local Development Scheme (LDS) which sets out the timetable for delivery of the review. In line with the published timetable a consultation on the Regulation 18 Draft Local Plan was due to be carried out in March 2023. This has been delayed due to proposed amendments to the National Planning Policy Framework (NPPF) which has been published for consultation by the Department of Levelling Up, Housing and Communities. The proposed changes to the NPPF have implications for the Local Plan review and a short adjustment to the Local Plan Review timetable will allow Officers to fully consider and incorporate any changes necessary and ensure that the next Local Plan is compliant with National Policy. A revised LDS will be taken to Cabinet in due course which will set out the new timetable.

3.4 Strategic Risk 4 – Achieving future financial resilience

Current circumstances has been updated to reflect that the current financial climate is causing pressure on specific costs such as energy costs and inflationary driven services. These rising costs are outside the direct control of the Council, but a range of responses are being developed to manage the Council's exposure to the financial challenges that are being presented.

Good progress has been made with implementing the actions with three being completed, one in progress and two new actions:

- Financial modelling was undertaken alongside the development of the Medium Term Financial Plan. Financial risk ratio analysis was presented to Members as part of the budget for 2023/24.
- Robust capital scoring and appraisal methodology formed part of the capital strategy with all capital bids presented on a corporate template and scored alongside the Corporate Plan.
- Treasury Management Strategy 2023/24 has been updated in accordance with the Financial Management Code and was approved by Council on 1 March 2023. It will continue to be reviewed in response to the current financial climate.
- Corporate assets are being reviewed to balance the Council's operational needs, holding costs and the disposal opportunity. To support this review an Asset Disposal Strategy was approved by Cabinet in December 2021. The Corporate Asset Management Strategy was approved by Cabinet on 22 September 2022.
- New action – Undertake a review of Council assets that have a high dependency on utility consumption and introduce a range of energy efficiency initiatives to reduce consumption and associated costs.
- New action – Undertake regular reviews of the MTFP in response to the changes in operational costs.

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

Current circumstances has been updated to capture the restructuring activity that took place this financial year has had a positive impact on creating a more optimal structure that is better aligned to deliver the Council's goals.

Early indications from the 2023 Engagement Survey (just undertaken) indicate that overall, engagement has significantly improved this year. The survey findings will be presented to the Employment Committee on 15 March 2023.

Progress has been made with implementing the actions with one being completed and the remaining are ongoing:

- New Ways of Working protocol has been developed, signed off and cascaded with flexible guidance on agile working that meets business, team, and individual's needs. A working group developed direction of four strands of work in the pay review, each of which have been progressed including the introduction of career grades and revised job evaluation process.
- Annual appraisals were completed across the Council in 2022/23. The cycle commences again in March 2023.
- Review of resources was undertaken with Phase 2 of the restructure being completed.
- Employee Survey action plan was created and implemented with input from the People Panel and the wider Council. 2023 Survey has been conducted and responsive action plan will be created.
- Learning and development plan for 2023 has been deployed. Institute of Leadership & Management training is taking place during February and March 2023.
- Political awareness training session was held in Quarter 3, and these will be ongoing. Member/Officer Protocol in place as part of the Constitution. Development sessions facilitated by the LGA held with the Corporate Management Team, Cabinet, the Administration and the Opposition Group 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 Policy Officer provides updates on policy changes at a national level and identifies potential issues at a local level that may impact on the Council. A new policy control framework register has been implemented for the Council. Work has commenced on the Corporate Plan refresh with swot analysis, operating environments, economic and political outlooks identified. State of District report being developed.

The Cost of Living Response Group is focusing on assessing the impact on the vulnerable parts of the community to ensure that they receive the right level of support and assistance. In addition, those services involved ie Benefits, Housing and Revenues are coordinating support and advice to those requiring it. An action plan has been developed to support the community including residents and businesses. To help South Kesteven residents deal with the cost of living a Wellbeing Fair was held on 25 February – participants included the DWP, the Money and Pension Service, Shine Lincs, Renew Grantham, One You Lincolnshire, LeisureSK, Inspire Plus, Homemade House Cookery School, We Are With You Grantham, Illegal money lending, Morrisons, the Co-Op, Wellbeing Lincs, SKDC's Revenues and Benefits Team, Citizens' Advice, Grantham Passage, SKDC's Housing/Homeless Team, First Aiders for Mental Health, AgeUK Lincoln and South Lincolnshire and the Notts and Lincs Credit Union.

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

Good progress has been made with implementing the actions all of which are ongoing:

- Completion of annual cyber training is being monitored to ensure that it is undertaken.
- Cyber Action Policy was approved in 2022. Acceptable Use of IT Policy is currently being reviewed.
- Work continues to remove end of life devices and applications. Mitigation such as third-party software tools and read only access are being added where necessary.
- 90% of the actions identified in the Cyber Treatment Plan have been completed as summarised below:
 - 18 of the 20 High risk recommendations complete (2 in progress)
 - 8 of the 9 Medium risk recommendations complete (1 in progress)
 - 3 Low risk recommendations complete

3.8 Next steps

In accordance with the Committee’s Terms of Reference, the Strategic Risk Register is presented twice a year and is next due in September 2023. An externally facilitated workshop will be held with Corporate Management Team and Assistant Directors to ensure that the register remains current and provides an opportunity to identify any new risks. The Strategic Risk Register will capture the output from the workshop which will be scheduled for June 2023.

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