

Subject:	Corporate Risk Report	Status:	For Publication
Report to:	Audit & Accounts Committee	Date:	3 rd December 2019
Report of:	HR Manager	Portfolio Holder:	Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: N/A
Biodiversity Impact Assessment	Required:	No	Attached: N/A
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1.	RECOMMENDATIONS
1.1	That the Audit and Accounts Committee note the Corporate Risk Register as detailed in the report.
1.2	That members note the risk consequence, mitigation action and level of risk as detailed in the Appendix A.

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to inform Audit and Accounts Committee of:
- Review of the Corporate Risk Register as attached (Appendix A).

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **Priority 1 – A clean and green Rossendale** - Our priority is to keep Rossendale clean and green for all of Rossendale’s residents and visitors, and to take available opportunities to recycle and use energy from renewable sources more efficiently.
 - **Priority 2 - A connected and successful Rossendale that welcomes sustainable growth** - Our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
 - **Priority 3 - A proud, healthy and vibrant Rossendale** - Our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit. We celebrate the health, vitality and enterprise of the people who live in, do business in and visit Rossendale.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendations in this report involve risk considerations as set out below.

5. BACKGROUND INFORMATION

- 5.1 The Council details its approach to managing risk in its Risk Management Strategy (updated March 2016), which sets out the framework of monitoring and reporting of risks.
- 5.2 The Council’s Corporate Risks are monitored via the quarterly performance reporting schedule using a R/A/G rating dashboard to report the risk status.

If a potential issue was identified during the periodic monitoring of the risk the responsible officer would be required to draft an exceptions report to identify the risk and actions needed to mitigate the level of risk.

The Corporate Risk Register is attached as Appendix A.

- 5.3 The Risk Management Strategy and Corporate Risk Register will be reviewed annually together with the light refresh of the Corporate Strategy, and continue to be reported quarterly to the Overview and Scrutiny / Audit and Accounts Committees.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

- 6.1 Any financial implications arising are noted in this report.

7. MONITORING OFFICER

- 7.1 There are no immediate legal considerations attached to the recommendations in this report.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

- 8.1 Effective Risk Management is very important to the Council, and the Council is committed to improving on an on-going basis how it manages and mitigates risk. A very important part of this process is robust and transparent scrutiny and taking timely, corrective action to improve risk management.

In completing this report, consultation has been undertaken with;

- Management Team
- Portfolio Holder for Resources
- Overview and Scrutiny Committee.

9. CONCLUSION

- 9.1 The revised Corporate Risk Register will support the ongoing monitoring and mitigation of risk to the Council.

Background Papers

Document	Place of Inspection
Corporate Risk Register	Appendix A
Risk Management Strategy updated March 2016	https://www.rossendale.gov.uk/downloads/download/10836/risk_management_strategy

Corporate Risks

Risks are those things which might present a barrier to us delivering the things we have undertaken to achieve. Each year the Council considers and reviews the potential risks it is facing and looks at what it might do to minimise the occurrence of such risks – this information is then regularly monitored and reviewed.

We profile our risks using a standard matrix (shown below) which is based on our making two judgments about each potential risk faced by the Council.

The Council's Risk Matrix

Likelihood	A					
	B					
	C					
	D					
	E					
	F					
		5	4	3	2	1
	Impact					

Likelihood

How likely is it that the risk may occur (rated A-F, A being the most likely)

Impact

How serious might the consequences of the impact be (rated 1-5, 1 being the highest consequence)?

Therefore a risk rated A1 is the highest risk rating and a risk of F5 is the lowest risk rating.

Risk RAG (Red, Amber and Green) rating status indicators	
Risk Status	Status description
GREEN	The likelihood and impact of the risk is low
AMBER	The likelihood and impact of the risk is medium
RED	The likelihood and impact of the risk is high

Corporate Risks

Risk 1	Likelihood	Impact	Overall Risk	Risk Status	Responsible Officer	Update
<p>Sustainability of the Medium Term Financial Strategy</p>	C	2	C2	AMBER	Phil Seddon	No change
<p>Description The Council's latest Medium Term Financial Strategy (MTFS) update published February 2019 indicates an underlying funding gap of c £700k per annum. The Council must take appropriate action in order to balance its annual expenditure in future years against its available annual income and other revenue resources.</p>	<p>Risk Consequence The Council has a legal obligation to publish an annual balanced budget; that it is to say its budget expenditure must equal its available income and any available reserves. Council reserves are limited and equate to only circa 3 years given the anticipated funding gap. Therefore additional income must be identified or annual costs reduced in future years. The Council is currently restricted to a maximum 3% annual increase in Council Tax in order to avoid triggering a referendum</p>					
Risk 2	Likelihood	Impact	Overall Risk	Risk Status	Responsible Officer	Update
<p>Major disaster affecting the delivery of Council services</p>	C	1	C1	AMBER	Clare Law	No change
<p>Description The Council has statutory duties under the Civil Contingencies Act (2004) and to carry out Emergency Planning and Business Continuity management activities to minimise the impact of a civil emergency or business interruption on people living, working and visiting the Borough</p>	<p>Risk Consequence Failure to have robust contingency plans in place could result in the failure to deliver Council services, such as, the collection of residential and trade waste, burial services and payment of supplier and benefits.</p>					

Risk 3	Likelihood	Impact	Overall Risk	Risk Status	Responsible Officer	Update
Incident resulting in death or serious injury or HSE investigation	D	1	D1	AMBER	Clare Law	No change
Description Under the Health and Safety at Work Act 1974, the Council has a duty of care towards the health, safety and wellbeing of its employees.	Risk Consequence Failure to have robust health and safety processes and procedures in place could result in sanctions from the Health and Safety potentially impacting on the council services.					
Risk 4	Likelihood	Impact	Overall Risk	Risk Status	Responsible Officer	Update
Sustainability of the County Council budget	B	2	B2	RED	Phil Seddon	No change
Like all local authorities, Lancashire County Council has to maintain a balanced budget. This will mean making budget reductions of over £120m in the next few years.	Risk Consequence If the County Council cannot maintain a balanced budget it will impact on services across the County, including Rossendale. This could have an impact on our residents. There is also a risk of cost shunting to District Councils. Ultimately, if the County Council cannot balance its budget there is a risk that it will become unsustainable. Evidence from other counties suggests this would trigger Government intervention and the possibly restructuring of local government in the area.					

Risk 5	Likelihood	Impact	Overall Risk	Risk Status	Responsible Officer	Update
Non delivery of Spinning Point	D	2	D2	AMBER	Cath Burns	No change
<p>Description Spinning Point is a Corporate Strategy project. Phase 1 comprises a bus station and 2/4 retail units. Phase 2 will provide a mixed view development.</p>	<p>Risk Consequence The delivery of the project supports the MTFS by providing a revenue stream and business rates income. Failure to deliver the project could result in a clawback of up to £1.9m if delivery targets are not met and the associated economic/social benefits may not be realised.</p>					
Risk 6	Likelihood	Impact	Overall Risk	Risk Status	Responsible Officer	Update
Non-delivery of the Borough's economic development strategy	C	2	C2	RED	Cath Burns	No change
<p>Description The Council has put in place an ambitious Economic Development Strategy and Action Plan to implement the economic growth elements of its Corporate Strategy.</p>	<p>Risk Consequence The investment based revenue generation schemes identified within the economic development strategy will underpin the MTFS. In addition, sweating or realising existing assets will underpin the MTFS. Failure to deliver would lead to the inability to support the delivery of the Medium Term Financial Strategy.</p>					

Risk 7	Likelihood	Impact	Overall Risk	Risk Status	Responsible Officer	Update
Non-delivery of the Local Plan	D	3	D3	AMBER	Mike Atherton	No change
<p>Description</p> <p>The Local Plan is a plan for the future development of the local area, drawn up by the Local Planning Authority. It guides decisions on whether or not planning applications can be granted. In law it is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004.</p> <p>The Local Plan is due to be adopted in late 2019 or 2020. There is not considered to be a risk that it will not be adopted, however the risk is that the adoption of the plan will be seriously delayed or that the process will be taken out of the Council's hands and that the Government will intervene.</p>	<p>Risk Consequence</p> <p>Risk of the Local Plan not being delivered is extremely low. The risk of the plan being delayed is moderate.</p> <p>The risk of delay includes a reputational issue; there may be short term criticism from elected members and MP's, as well as from the development industry.</p> <p>There may also be an environmental risk if planning appeals are being allowed on development sites which the Local Authority does not consider suitable for development. The risk of this increases the longer it takes to adopt the plan.</p> <p>The main risk of delay comes from changes to Government policy and the calculations of housing need which are still evolving nationally. This will have a significant impact on how much housing land Rossendale has to allocate and where development will be located. This carries a reputational and environmental risk as well as a political risk for our elected members.</p>					

Risk 8	Likelihood	Impact	Overall Risk	Risk Status	Responsible Officer	Update
Changes to government policy on the delivery of the Council's services	C	3	C3	AMBER	Cath Burns	No Change
Description Like all local authorities Rossendale Council is a statutory body that is subject to changes being consulted upon and or implemented by central government that might affect how we operate and serve our residents/businesses	Risk Consequence The risk that the Council fails to react and be prepared for any changes being proposed or implemented by central government.					
Risk 9	Likelihood	Impact	Overall Risk	Risk Status	Responsible Officer	Update
Sustainable Workforce	D	3	D3	AMBER	Clare Law	No change
Description There is a requirement to have a sustainable workforce to deliver the council services to residents and customers.	Risk Consequence Failure to have a fully resourced, trained staff could result in the failure to deliver statutory and non-statutory service in a safe and professional manner to residents and customers. Currently there are significant challenges due to the loss of senior professional officers in finance.					

Risk 10	Likelihood	Impact	Overall Risk	Risk Status	Responsible Officer	Update
Insufficient data and cyber security	C	1	C1	AMBER	Andrew Buckle	No change
<p>Description Cyber security presents one of the most challenging areas for both the public and private sectors. With the proliferation and severity of attacks constantly increasing this represents a major threat.</p>	<p>Risk Consequence Cyber-attack resulting in a complete loss of all systems coupled with malware being spread across the entire network. Data breach resulting in information loss causing reputational damage and resulting in a financial penalty due to non-compliance with statutory requirements such as GDPR (General Data Protection Regulation), PCI DSS (Payment Card Industry Data Security).</p>					
Risk 11	Likelihood	Impact	Overall Risk	Risk Status	Responsible Officer	Update
Poor communications and public relations	D	2	D2	AMBER	Clare Law	No change
<p>Description Good communication and public relations is essential to inform, maintain and develop relationships with residents, customers and partners to provide Council services.</p>	<p>Risk Consequence Failure to communicate and respond to issues as they develop and inadequately or inappropriately communicating.</p> <p>Could lead to a major loss of reputation for the Council on a local, regional and national level. A loss of reputation can damage staff morale, destroy trust between the Council and residents and impair the relationship between the council and its partners meaning projects and services delivery is damaged.</p>					

