

Subject:	Corporate Risk Register Update Quarter 3 2021-22 (October, November and December)	Status:	For Publication
Report to:	Audit and Accounts Committee	Date:	9 th March 2022
Report of:	Head of Finance	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: No
Biodiversity Impact Assessment	Required:	No	Attached: No
Contact Officer:	Karen Spencer	Telephone:	01706 252409
Email:	karens pencer@rossendalebc.gov.uk		

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 Appendix 1.

2. PURPOSE OF REPORT

- 2.1 The purpose of this report is to update the Audit and Accounts Committee on the council's Corporate Risk Register.

3. BACKGROUND

- 3.1 The council details its approach to managing risk in its Risk Management Strategy. This was updated in March 2016.

The strategy sets out the framework of monitoring and reporting of risks. The council has identified 13 corporate risks and these are monitored via quarterly performance reporting schedule using a R/A/G rating dashboard to report the risk status. These are reported to both the Overview and Scrutiny Committee and Cabinet.

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

4. THE CURRENT RISK REGISTER

- 4.1 The council has reviewed and continues to monitor the council's corporate risks.
- 4.2 The corporate risks as categorised at the end of Quarter 3 are as follows:

	Quarter 3 2021/22
Low	3
Medium	7
High	3

- 4.3 The corporate risks rated as 'red' are as follows:

Corporate Risk 1	Likelihood	Impact	Overall risk	Status
Sustainability of the Medium Term Financial Strategy	B	2	B2	RED

The November 2021 MTFS update indicates that the MTFS funding gap will continue to increase over the current lifecycle unless further savings/income generation schemes are identified. In addition the Covid-19 pandemic continues to place additional pressure on the MTFS. The legal claims arising from the Empty Homes scheme may also have an adverse impact on the MTFS if settled in the claimants' favour. Officers are monitoring the scheme closely and managing the claims where possible.

Corporate Risk 12	Likelihood	Impact	Overall risk	Status
Response and Recovery to Covid19 Pandemic	B	2	B2	RED

The Covid-19 Outbreak Board was stepped down in Q2 but the council continues to follow Government advice on managing the impact of Covid-19. Take up of the vaccination programme has been good. However, the level of positive cases in Rossendale have remained between 200 and 250 per 100,000 people throughout the last 2 months. We continue to monitor the position and have made contingency plans for a further tightening of Government restrictions in Q3.

Corporate Risk 13	Likelihood	Impact	Overall risk	Status
Impact of Covid-19 on the financial sustainability of council owned leisure assets.	A	2	A2	RED

Projected losses for 2021/22 are lower than expected and are likely to be under 100k. This favourable position is a result of strong management by the Trust and also the availability of grants for Covid and a payment holiday on various council loans. The projections for 2022/23 are concerning due to unexpected additional utility costs and costs associated with living wage uplifts. Work is underway to finalise projections for the next financial year to see how expenditure can be reduced and income maximised. Continued close monitoring is essential.

4.4 The risks will continue to be monitored by Management Team.

5. RISK

5.1 All the issues raised and the recommendations in this report involve risk considerations as set out above.

6. FINANCE

6.1 Any financial implications related to specific risks are noted in this report and detailed in the appendices.

7. LEGAL

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

8. POLICY AND EQUALITIES IMPLICATIONS

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.

9. CONCLUSION

- 9.1 The Corporate Risk Register is dynamic. The updates to the risks demonstrate active mitigation of the existing risks. The Committee will want to explore the implications of each corporate risk in the appendices.

Background Papers	
Corporate Risk Register	Appendix 1
Risk Management Strategy updated March 2016	https://www.rossendale.gov.uk/downloads/download/10836/risk_management_strategy

Risks are those things which might present a barrier to us delivering the things we have undertaken to achieve. Each year the council 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. This quarter the council has added a new risk to the corporate risk register. This is focused on the financial vulnerability of the borough’s leisure assets and classified as Risk 13.

We profile our risks using a matrix (shown below) which is based on our making two judgments about each potential risk faced by the council. The definition of the likelihood and impact can be found in the council’s Risk Management Strategy 2016.

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

Risk 1 - Sustainability of the Medium Term Financial Strategy			Responsible Officer - Karen Spencer	
Description				
<p>The Council's latest Medium Term Financial Strategy (MTFS) update published February 2021 indicates an underlying funding gap of c.£400k per annum. The council must take appropriate action in order to balance its annual expenditure against its available annual income and other revenue resources. The council has a legal obligation to publish an annual balanced budget; this means 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.</p>				
Risk Consequence				
<p>If the council is not able to prepare a balanced budget there would be legal ramifications, but it would ultimately impact on the level of services the council is able to deliver to Rossendale residents and would result in major reputational damage.</p>				
Initial risk assessment RAG status (without mitigation)	Likelihood	Impact	Overall	Status
	B	2	B2	RED
Mitigation				
<p>The MTFS does not indicate a significant narrowing of the gap in the next four years, however, the deficits in future years are less than previous MTFS cycles. New income generating opportunities will need to be identified to generate additional revenue, along with improved efficiency and effectiveness of service delivery. Departments across the council will need to be challenged to become more effective.</p>				
Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	C	2	C2	AMBER
Quarter 3 Update				
<p>The November 2021 MTFS update indicates that the MTFS funding gap will continue to increase over the current lifecycle unless further savings/income generation schemes are identified. In addition the Covid pandemic continues to place additional pressure on the MTFS. The legal claims arising from the Empty Homes scheme may also have an adverse impact on the MTFS if settled in the claimants' favour. Officers are monitoring the scheme closely and managing the claims where possible.</p>				
Quarter 3 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	B	2	B2	RED

Risk 2 – Major disaster affecting the delivery of council services			Responsible Officer - Clare Law	
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.				
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 suppliers and benefits.				
Initial risk assessment RAG status (without mitigation)	Likelihood C	Impact 1	Overall Risk C1	Status AMBER
Mitigation A robust overall council Emergency and Business Continuity Plan is in place. Service continuity plans are updated and tested regularly through a quarterly Emergency Planning meeting. The plans are embedded with the Corporate Management Team as critical working documents to support the continued delivery of essential council services. All managers have a copy of the overall plan and their service plan and keep them under review. RBC is a member of Lancashire County Council Local Resilience Forum (LRF). Officers attend meetings and undertake regular training exercises. RBC plans are available on the Resilience Direct website. Mutual aid agreements are in place with all Local Authorities across Lancashire.				
Risk assessment RAG status (after mitigation)	Likelihood C	Impact 2	Overall Risk C2	Status AMBER
Quarter 3 Update We continue to operate in the recovery stage of Covid-19 and regularly review the service business continuity plans and risk assessments in accordance with government guidance. Covid-19 related absences and isolation has remained below 10% during quarter 3, majority of office-based staff are able to work from home if isolating and any operations staff is backfilled using agency workers. The national LGV driver shortage has affected the availability of agency drivers and caused significant challenges to the refuse and recycling service, staff from other Operations service areas have been used to back fill driver absences. Staff returned to office working during quarter 3 but subsequently reverted to 'working at home if able to do so' following government guidance on 14 th December 2021.				
Quarter 3 risk assessment RAG status (current)	Likelihood D	Impact 3	Overall Risk D3	Status AMBER

Risk 3 - Incident resulting in death or serious injury or HSE investigation			Responsible Officer - Clare Law	
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 and others.				
Risk Consequence Failure to comply with current legislation and demonstrate compliance may result in harm to staff and others, financial loss and enforcement action.				
Initial risk assessment RAG status (without mitigation)	Likelihood	Impact	Overall Risk	Status
	D	2	D2	AMBER
Mitigation The council has health and safety policies and procedures including a health and safety incident reporting procedure in place along with a safe working culture. Actions need to be completed to address and implement a consistent approach across the council in order to secure compliance.				
Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	E	2	E2	GREEN
Quarter 3 Update Work has continued to evaluate the systems and measures in place across the council's services to secure compliance and safeguard staff. Following an initial health and safety compliance audit by the Safety and Emergency Planning Officer a report was presented at CMT and it was agreed that a 3-5 year action plan would be produced to progressively reduce the likelihood of potential risks and support the ongoing development of a safe working culture. Actions are directed towards developing an effective Health and Safety management system to ensure compliance is monitored and reviewed. A new Corporate Health and Safety Policy has been developed and currently in consultation with CMT, Members, staff and Trade Unions.				
Quarter 3 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	D	3	D3	AMBER

Risk 4 - Sustainability of the County Council budget			Responsible Officer - Karen Spencer	
Description 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 The County Council's 2019 approved budget included £120m savings over the period 2019/20 to 2022/23. This level of budget reductions is likely to have an impact on service provision for our residents. There is also a risk of cost shunting to district councils.				
Initial risk assessment RAG status (without mitigation)	Likelihood	Impact	Overall Risk	Status
	B	3	B3	AMBER
Mitigation RBC will continue to work with County Council to find ways of reshaping services to reduce costs whilst ensuring shared outcomes are achieved. The council will support joint leadership and Chief Executive meetings to find new ways of working together for the benefit of our residents. The council will interrogate LCC savings proposals and identify risks to our residents and to our services.				
Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	B	3	B3	AMBER
Quarter 3 Update In February 2021 the County Council announced that the elements of their savings plan, originally agreed in February 2019, which were yet to be implemented, had been delayed by a year as a result of the Covid-19 pandemic and could slip further. However the savings programme will continue to be implemented post Covid-19. The council continues to suffer from increased fly-tipping and the associated costs, which has in part resulted from the implementation of the reduced opening hours of the LCC Household Waste Recycling Centres savings proposal.				
Quarter 3 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	B	3	B3	AMBER

Risk 5 - Non-delivery of the borough's economic development strategy			Responsible Officer – Guy Darragh (interim)	
Description The council has put in place an ambitious Economic Development Strategy and Action Plan to implement the economic regeneration elements of its Corporate Plan.				
Risk Consequence The investment based revenue generation schemes identified within the economic development strategy will support the Medium Term Financial Strategy (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.				
Initial risk assessment RAG status (without mitigation)	Likelihood	Impact	Overall Risk	Status
	C	3	C3	AMBER
Mitigation				
<ul style="list-style-type: none"> • Development and delivery of identified economic regeneration projects at Spinning Point and Futures Park. • Review of rentals on industrial estates underway. • Bringing forward council owned land for development or sale. 				
Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	D	3	D3	AMBER
Quarter 3 Update				
<ul style="list-style-type: none"> • The strategic asset review that will unlock land asset disposals and new rental income has been placed on hold due to staffing issues. • Plans are being advanced for a new council industrial site on Plot 4 Futures Park that will generate new additional income to the Council – due diligence by Economic Development and Property team has now been authorised by CMT/Cabinet. • Industrial unit rent reviews are being enacted on a rolling renewal basis – raising income levels. • Land at Park Avenue has been identified for disposal with an agent appointed and land advertised to interested parties. • Forward plan for Bacup Market Square – under consideration by Cabinet. 				
Quarter 3 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	D	3	D3	AMBER

Risk 6 - Non-delivery of the Local Plan			Responsible Officer - Mike Atherton	
Description 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. The Local Plan was due to be adopted in late 2020. It 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.				
Risk Consequence Risk of the Local Plan not being delivered is extremely low. The risk of the plan being slightly delayed is moderate. The risk of delay includes a reputational issue; there may be short term criticism from elected members and MP's, and developers. 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.				
Initial risk assessment RAG status (without mitigation)	Likelihood C	Impact 2	Overall Risk C2	Status AMBER
Mitigation Measures are in place to reduce the risk include the Local Plan Action Plan which outlines the actions required following the hearing sessions into the examination of the Local Plan. This is updated and sent to the Planning Inspectorate on a regular basis. The Local Plan Steering Group meets on a regular basis to keep members informed of issues and the timetable. Monthly meetings also take place between the Planning Manager and the Portfolio Holder and also separately the Planning Manager and Director. A barrister has been retained to provide expert advice as required.				
Risk assessment RAG status (after mitigation)	Likelihood D	Impact 2	Overall Risk D2	Status AMBER
Quarter 3 Update The Local Plan was adopted at the council meeting on the 15 th of December 2021.				
Quarter 3 risk assessment RAG status (current)	Likelihood E	Impact 2	Overall Risk E2	Status GREEN

Risk 7 - Changes to Government policy on the delivery of the council's services			Responsible Officer - Neil Shaw	
Description Like all local authorities the 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.				
Initial risk assessment RAG status (without mitigation)	Likelihood	Impact	Overall Risk	Status
	E	2	E2	GREEN
Mitigation The council is a member of the Local Government Association and District Councils Network who keep us informed of government policy and consultations and lobby on behalf of councils to mitigate the impact of any change. The council is also signed up to receive daily emails from Local Government Information Unit who provide daily government news and other Local Government Information Unit (LGiU) policy briefings. The Chief Executive and Leader of the council meets regularly with our two MPs. The council's Corporate Management Team monitor and assess government's position on funding to be distributed to local authorities and other Government announcements that impact funding.				
Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	E	2	E2	GREEN
Quarter 3 Update No specific policy changes or updates have occurred in Q3.				
Quarter 3 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	E	2	E2	GREEN

Risk 8 - Sustainable Workforce			Responsible Officer - Clare Law	
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.				
Initial risk assessment RAG status (without mitigation)	Likelihood	Impact	Overall Risk	Status
	D	3	D3	AMBER
Mitigation The council has robust HR policies and procedures, an agreed Authorised Establishment, performance management framework, Service Area Business Continuity Plans in place. HR will work with managers to review roles to make them more attractive. The council provides an attractive benefit package including final pension scheme, flexible working, generous annual leave, a purchase leave scheme, free on sight parking, family friendly policies, discounted gym memberships and a cycle scheme.				
Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	E	3	E3	GREEN
Quarter 3 Update The cumulative turnover of staff at the end of quarter 3 is 8.33% (quarter 1 – 7.47% and quarter 2 – 6.25%), although the national HGV driver shortage continues to have a significant impact on the Operations refuse and recycling service. The large number of Covid-19 grant schemes and volume of work involved to process the payments and reporting within tight deadlines has had a significant impact on the Finance team and the delivery of the day to day work and scheduled statutory financial deadlines. The impact of Covid-19 continues to be monitored and Covid-19 related absences remains a potential challenge to managing service delivery.				
Quarter 3 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	D	3	D3	AMBER

Risk 9 - Insufficient data and cyber security			Responsible Officer - Andrew Buckle	
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.				
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).				
Initial risk assessment RAG status (without mitigation)	Likelihood	Impact	Overall Risk	Status
	C	1	C1	AMBER
Mitigation To protect against a data breach RBC, host all council data in Tier 3 Data Centres located in different geographical regions and are backed up daily. RBC Data Centres hold the following accreditations: ISO27001:2013, PCI-DSS. RBC adopts a Risk Insight approach to determine the treat Landscape and more importantly its evolution. RBC has received notification of meeting the Public Services Network (PSN) which means the councils' infrastructure met all the security requirements to allow connection to the PSN. A cyber security training is to be provided for all staff.				
Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	D	1	D1	AMBER
Quarter 3 Update The remote working application Virtual Private Network (VPN) was upgraded during Q3 to further enhance security. In addition further updates have been made to the new Payment 3 D Secure V2 standard that has been introduced to ensure compliance with the Payment Card Industry Data Security Standard (PCIDSS). To provide protection to customers who are making both online and telephone payments Cyber Security Training and ICT Security Training will be rolled out to staff in Q4.				
Quarter 3 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	D	1	D1	AMBER

Risk 10 - Poor communications and public relations			Responsible Officer - Clare Law	
Description Good communication and public relations is essential to inform, maintain and develop relationships with residents, customers and partners to provide council services.				
Risk Consequence Failure to communicate and respond to issues as they develop and inadequately or inappropriately communicating. 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, trust between the council and residents and impair the relationship between the council and its partners meaning projects and services delivery is damaged.				
Initial risk assessment RAG status (without mitigation)	Likelihood	Impact	Overall Risk	Status
	B	1	B1	RED
Mitigation Communication methods in place to support face to face, mail or electronic communications. Developed website and social media channels provide 24/7 service. Experienced communications function to support council officers to deal with communications in a timely manner and promote the work of the council.				
Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	D	1	D1	AMBER
Quarter 3 Update Viva PR has continued to deliver the agreed communications plan and Covid-19 communications updates, including regular updates to the council's website and social media posts to residents and communities.				
Quarter 3 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	D	1	D1	AMBER

Risk 11- Non – Delivery of Corporate Projects			Responsible Officer - Neil Shaw	
Description The council has agreed the 11 corporate projects for 2020-2021 to support the delivery of Corporate Strategy 2017-2021.				
Risk Consequence Failure to deliver the corporate projects would have a detriment impact on the delivery of the council's Corporate Strategy 2017-2021, and result in a reputational risk to the council's commitment to the residents. The failure to deliver the corporate projects could potentially have a negative impact on the council's revenue budgets (by failure to deliver income generating projects) and delivery of the medium term financial strategy, and the associated economic and social benefits may not be realised.				
Initial risk assessment RAG status (without mitigation)	Likelihood	Impact	Overall Risk	Status
	D	2	D2	AMBER
Mitigation Each corporate project has a Project Sponsor (member of the Corporate Management Team), a Project Manager and finance officer. Each corporate project will have a robust project plan and live risk register. The Project Sponsor will be responsible for the strategic overview of the corporate project, and the Project Manager will be responsible for the day to day management of the corporate project. council's Programme Board meets quarterly to review the progress of the corporate projects. The Project Sponsor will be responsible for highlighting any concerns to the Corporate Management Team throughout the life of the corporate project.				
Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	E	2	E2	GREEN
Quarter 3 Update The Programme Board continues to monitor all the projects. All projects are on track and within budget. The build phase of the Whitaker HLF project is complete closing down any major risks with the most challenging part of that project.				
Quarter 3 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	E	2	E2	GREEN

Risk 12 – Response and Recovery to COVID-19 Pandemic			Responsible Officer - Neil Shaw	
Description COVID-19 is a strain of the coronavirus, the government declared the virus as a pandemic in the UK in March 2020.				
Risk Consequence The pandemic causes a potentially risk to the delivery of the council services and the health and wellbeing of the wider community.				
Initial risk assessment RAG status (without mitigation)	Likelihood	Impact	Overall Risk	Status
	A	1	A1	RED
Mitigation The council has an Emergency Plan and Service Area Business Plans to support a pandemic emergency. The plans have been activated, regularly reviewed and stress tested throughout the pandemic. Risk Assessments and Safe Systems of Work have been developed and reviewed with staff and Trade Unions throughout the pandemic to provide a safe working environment. Council officers have worked with the Lancashire Resilience Forum and multi-agency partners to mitigate any potential risks throughout the pandemic. The council established and managed a Community Hub to provide support to vulnerable residents.				
Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	B	2	B2	RED
Quarter 3 Update The Covid-19 Outbreak Board was stepped down in August. The council continues to follow Government advice on managing the impact of Covid. Take up of the vaccination programme has been good. However, the level of positive cases in Rossendale have remained between 200 and 250 per 100,000 people throughout the last 2 months. We continue to monitor the position and have made contingency plans for a potential tightening of Government restrictions in Q4.				
Quarter 3 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	B	2	B2	RED

Risk 13 – Impact of COVID-19 on the Financial Sustainability of Council Owned Leisure Assets			Responsible Officer – Adam Allen	
Description National Lockdowns due to COVID-19 result in council owned leisure facilities closing for extended periods. During closure no income is received and outside of lockdown periods, income is significantly reduced.				
Risk Consequence If the council owned leisure assets are to be sustained in the longer term, the operators of the facilities have little recourse to additional funding to survive other than through the council. This financial impact will be over £500k but is likely to be considerably higher, depending on the length and severity of lockdowns.				
Initial risk assessment RAG status (without mitigation)	Likelihood	Impact	Overall Risk	Status
	A	2	A2	RED
Mitigation The Leisure Trust and council are currently seeking to consolidate all council owned leisure assets under the umbrella Trust to maximise efficiency. Ski Rossendale has transferred and the transfer of CLAW facilities will be recommended to council in Q3, the Whitaker is likely merge with the Trust and discussions are on-going. A report on the impact of all facilities has been produced by KKP and recommendations to minimise impact are being implemented. Senior council Officers are attending the Trust Board to ensure we work together to minimise costs and an intensive monitoring process is in place. Funding through a COVID-19 specific Sport England Fund will be applied for. However, this is not thought to provide retrospective funding for closures and it is unlikely to cover the majority of financial loss. Lobbying of Government for sufficient financial support will continue.				
Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	B	2	B2	RED
Quarter 3 Update Projected losses for 2021/22 are lower than expected and are likely to be under 100k. Projections for 2022/23 however include a number of financial pressures including increased fuel costs, increased staffing due to a rise in the living wage, no access to Covid-19 grants and a removal of various payment holidays across the sites. Work is underway to finalise projections for the next financial year to see how expenditure can be reduced and income maximised. Continued close monitoring and partnership working will be essential in achieving longer term financial sustainability.				
Quarter 3 risk assessment RAG status	Likelihood	Impact	Overall Risk	Status
	A	2	A2	RED

Appendix 1