

Report to:

AUDIT COMMITTEE

Relevant Officer:

Tracy Greenhalgh – Head of Audit and Risk

Meeting

29 February 2024

STRATEGIC RISK REGISTER 2024/25

1.0 Purpose of the report:

1.1 To present the Council's revised Strategic Risk Register.

The Strategic Risk Register was last approved by the Audit Committee in March 2023 and this revised version has been subject to a review and amended accordingly.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to approve the Strategic Risk Register for 2024/25.

3.0 Reasons for recommendation(s):

3.1 To ensure that strategic risks are effectively managed.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 The Strategic Risk Register is a key component of the Council's Risk Management Framework.

5.0 Council priority:

5.1 The Strategic Risk Register covers all Council priorities.

6.0 Background information

6.1 The Strategic Risk Register is reviewed and updated on an annual basis. It receives annual approval from the Audit Committee. Risk Owners are required to attend Audit Committee on a periodic basis to provide an update in terms of how each risk is being managed.

All identified risks are subject to being scored, and the risk matrix which is used to facilitate these discussions is as follows:

LIKELIHOOD (PROBABILITY)	IMPACT	IMPACT	IMPACT	IMPACT	IMPACT
HIGH LEVEL OF CERTAINTY (5) The event is expected to occur in most circumstances	5	10	15	20	25
LIKELY (4) The event will probably occur in most circumstances	4	8	12	16	20
POSSIBLE (3) The event is fairly likely to occur	3	6	9	12	15
RARE (2) The event could occur at some time	2	4	6	8	10
UNLIKELY (1) The event may occur only in exceptional circumstances	1	2	3	4	5
IMPACT FINANCIAL	IN SIGNIFICANT (1)	MINOR (2)	MODERATE (3)	MAJOR (4)	CATASTROPHE (5)
IMPACT PERSONAL	NO INJURY (1)	MINOR INJURY (2)	5+ DAYS (3)	INCAPACITY (4)	DEATH (5)

Target risk scores provide a means by which to measure the level of mitigation that the Council needs to take in order to reduce the risk to an acceptable level and these are included in the strategic risk register.

A risk appetite is in place with a definition attached to each of the risk categories in the Strategic Risk Register. The risk appetite definitions have been adopted from the Government's Orange Book for the Management of Risk – Principles and Concepts. The definitions are as follows:

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit / return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have a low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and / or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

During 2023/24 the Audit Committee carried out deep-dive reviews of the following risk categories:

- Technology;

- Operations;
- Property;
- Project / Programme Management;
- Information;
- Commercial; and
- Governance.

The proposed timetable for Audit Committee ‘deep dives’ of these risks are as follows:

Month	Risk Category	Sub-Risks	Chief Officer(s)
June	Commercial	a. Lack of employment opportunities / skills. b. Failure to regenerate the town. c. Reduced visitor economy. d. Failure to deliver an efficient transport network across the town.	Director of Communications and Regeneration
September	People	e. Lack of capacity and capability. f. Poor employee health and wellbeing.	Chief Executive
November	Finance	a. Insufficient funding to deliver services. b. Insufficient central government funding for Social Care. c. Increased fraud and error impacting on public funds and the Council’s reputation.	Director of Resources / Director of Adult Services / Director of Children’s Services
January	Legal	a. Legal challenge to procurement arrangements. b. Increased employer liability claims. c. Increased public liability claims.	Director of Resources / Director of Community and Environmental Services / Director of Governance and Partnerships
March	All	a) Revised strategic risk register for 2025/26 to be presented.	Head of Audit and Risk

6.2 Does the information submitted include any exempt information?

No

7.0 List of Appendices:

7.1 Appendix 9(a) – Strategic Risk Register 2024/25

8.0 Financial considerations:

8.1 Where possible, risks will be managed within current budgets. Where it is not feasible to do so, this will be escalated to the Corporate Risk Management Group and the Corporate Leadership Team where a decision will be made to accept the risk or identify additional funding to implement the required controls.

9.0 Legal considerations:

9.1 The Council needs to ensure that it effectively manages its risks to avoid the potential of legal challenge or prosecution occurring.

10.0 Risk management considerations:

10.1 The Strategic Risk Register is a key component of the Council's overall Risk Management Framework.

11.0 Equalities considerations : and the impact of this decision for our children and young people:

11.1 N/a.

12.0 Sustainability, climate change and environmental considerations:

12.1 N/a.

13.0 Internal/external consultation undertaken:

13.1 The Strategic Risk Register has been prepared in consultation with the Corporate Risk Management Group and Directorate Management Teams. The timetable of the consultation undertaken was as follows:

Date	Consultation
27 th November 2023	Corporate Risk Management Group
9 th January 2024	Chief Executive Directorate Consultation Meeting
11 th January 2024	Resources Consultation Meeting
11 th January 2024	Community and Environmental Services Consultation Meeting
16 th January 2024	Communications and Regeneration Consultation Meeting
18 th January 2024	Governance and Partnerships Consultation Meeting
22 nd January 2024	Children's Services Consultation Meeting
24 th January 2024	Public Health Consultation Meeting
25 th January 2024	Chair and Vice Chair of Audit Committee
29 th January 2024	Meeting with Section 151 Officer
31 st January 2024	Meeting with Chief Executive
6 th February 2024	Extended Corporate Leadership Team for approval
29 th February 2024	Audit Committee for approval

14.0 Background papers:

14.1 Risk Management Framework 2021-25