

Bolsover District Council

Audit Committee

27th April 2021

Risk Management

Report of the Director of Corporate Resources

This report is public

Purpose of the Report

- To update Members of the Audit Committee of the current position regarding Risk Management arrangements and the Strategic Risk Register as at April 2021.

1 Report Details

Background

- 1.1 Audit Committee have previously endorsed the Council's Risk Management Strategy which was then approved by Executive in March 2020. The Strategy includes but is not limited to the following;
- The nature of 'risk' both the 'threats' and the 'opportunities'
 - The benefits of a robust risk management approach
 - The Council's risk appetite
 - Risk categorisation – Operational, Governance, Strategic
 - Project and Partnership risk
 - The Council's risk management approach and arrangements including a new 'Risk Management Group'
 - Roles and responsibilities including Senior Risk Officer and Senior Information Risk Officer (SRO and SIRO)
- 1.2 The Strategy also details the work of a 'Risk Management Group'. This is elected Member led and includes the Councils Senior Risk Officer (SRO), Senior Information Risk Officer (SIRO), S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group provides a comprehensive oversight of risk throughout the organisation and is the conduit to and from the whole organisation in terms of risk management.
- 1.3 The group 'regularly' and 'consistently' oversee, all of the risk registers ensuring they are up to date and accurate whilst offering challenge to the assessment process itself. It is responsible for risk management reporting to stakeholder groups

across the Council, including this Committee and supports the production of the Annual Governance Statement. The group leads on the development and review of all risk related policies, plans and strategies across the Council and oversees and champions the implementation of the Risk Management Strategy and associated action plan including training 'relating to' and the 'embedding of' an effective risk management culture.

Update of the Risk Management Group held on 20th January 2021:

1.4 REVIEW OF STRATEGIC RISK REGISTER

The group reviewed the register with the following comments/observations/suggestions;

- **Parliamentary uncertainty following the General Election, Government Legislation / impact of referendum vote to leave the EU / adverse external economic climate has an accelerating impact on Council funding, or upon the local economy, to which Council is unable to adopt an appropriate change of Strategic direction.**

Consideration being given as to whether this risk should be refined and the EU transition separated out. It was noted however that it was difficult to identify the risk until details of the deal were known.

- **Increasing difficulty in recruiting to key posts or in replacing key staff who leave. Staff morale is adversely affected arising from the pace of change, tightening financial circumstances or external circumstances.**

The Group considered whether officers were still finding it difficult to recruit appropriately qualified/trained staff. It was noted that this appeared to be an on-going issue within all professions.

- **Staff morale / Sickness Levels adversely affected as a result of the pace of change, tightening financial circumstances or external circumstances.**

The Group discussed the continued work around remote working due to Covid-19. A new Agile Working Policy had now been developed and adopted by Council.

- **Failure to have in place robust, comprehensive and up to date policies and procedures for safeguarding children and vulnerable adults.**

Safeguarding had been embedded throughout the organisation. BDC created and now lead on the Districts Safeguarding Leads Sub-Group (a Countywide group) the Councils Safeguarding Lead, Lee Hickin – Director of Corporate Resources and Head of Paid Service, chairs this group (along with other colleagues) – this has been gratefully received by both the Derby and Derbyshire Safeguarding Children's Partnership and the Adults Safeguarding Board.

The Director of Corporate Resources and Head of Paid Service questioned whether the Strategic Risk Register should provide additional focus on cyber security? This was agreed by the Group – ICT Head of Service suggested transferring the relevant ICT risks from the ICT Operational Risk Register (when finalised) on to the Strategic Risk Register. It was also agreed that a table top ‘cybersecurity exercise’ and ‘disaster recovery exercise’ be set up to test the Councils resilience in relation to this particular threat.

Discussion also took place around whether the Council should reflect some themes which other authorities had included such as; Local Government Reorganisation/ Devolution/Vision Derbyshire and Provision of Social Housing.

Lee Hickin explained that assurances had been given by the Secretary of State that Local Government Reorganisation would not take place this year, however agreed that this required a ‘watching brief’. With regard to Vision Derbyshire, the Council had already made a decision not to engage in terms of any governance proposals – only by a project by project basis. In terms of Social Housing, Lee Hickin spoke with fellow Director Karen Hanson and Housing colleagues where it has become clear that the social housing stock in the District was of a high standard and presented no strategic risk. However implementation of the new Housing White Paper could identify any potential new risks or emerging risks that the Housing team would keep the Risk Management Group informed of.

Cllr Moesby felt that Local Government Reorganisation should be kept under review.

Cllr Moesby suggested and the group agreed that it was a good idea to compare other Authorities Risk Registers with our own, and include in ours if appropriate. He said that he would be speaking to his Cabinet colleagues to ensure that their areas were kept up to date.

The Group discussed the third party risks as Steve Brunt Head of Street scene had previously detailed. Alternative supplier/arrangements discussions were underway to provide a contingency plan in case of the requirement to make an urgent change. The Risk Management Group requested that this particular Operational Risk be escalated to a Strategic Risk given the potential impact on the organisation. Since the meeting, Wards – the Councils service provider, has now gone into administration. The Council have now taken the service back in house. A further report and update will be sought from the Recycling Service in due course as to the effectiveness of the new in house operation.

1.5 REVIEW OF OPERATIONAL RISK REGISTERS

Having previously developed and established new risk register templates for *Strategic*, *Operational*, *Partnership* and *Project* related risks, the group have overseen their completion by Heads of Service in relation to their own service areas. The templates cover; risk area, threat/opportunity, and mitigation and risk ratings. At the meeting ‘Property Services’ Ian Barber Head of Service presented

their Operational Risk Register – discussion centred predominantly around the following;

- **PS3 – Fuel Shortages** – The impact of Brexit and Covid-19 both present threats. Full bunkers would provide approximately 7 to 9 days fuel supply. In the case of the supply running low non-essential services would be restricted. Lee mentioned potential linkages with Streetscene. Cllr Moesby suggested there was an opportunity to look at electric vehicles. Ian said that trials had been done however the technology for our requirements was not available at the moment.
- **PS5 – Contractor Going Bust** – Cllr Moesby enquired about the opportunity to do in house and sell services. Ian mentioned that this could possibly be done for smaller projects however it would be difficult from a resource point of view for larger projects.
- Lee requested that an additional threat be included on Financial Risk.
- **PS10 – Staff Leave for New Opportunity** – Cllr Moesby enquired with regard to retirement if we look at in advance and have a plan in place. Lee said that a corporate overview of age profiles was in place and areas where succession planning was encouraged. Cllr Moesby enquired if this should be a strategic issue across the authority. Kath Drury enquired if we capture the reasons why people leave. Lee confirmed that exit interviews take place but he did not have an analysis of these. He would get back to the Group on this.

1.6 REVIEW OF PARTNERSHIP AND PROJET RISK REGISTERS

Cllr Moesby stressed the importance of Bolsover Partnership being included in the Risk Registers. Pam mentioned that the risks included were reviewed on a regular basis and that we were doing everything we could to ensure Partnership working was as risk free as possible. A regular check was kept on LEP 1 – Governance and Performance including finance which needs to be maintained in order to operate the Partnership and Service delivery.

Lee stated that the Risk Registers were about overarching risks and all Projects should have Projects Plans in place which identified risks. It was suggested that some Project Plans could be considered at a future meeting. Cllr Moesby stressed the importance that project plans were in place. Pam mentioned that Bolsover Partnership's Action Groups had these in place.

1.7 NEW OR EMERGING RISKS IDENTIFIED

Anti-Virus Update – Kath enquired if this automatically installed. Nicki advised that the anti-virus update would automatically install however windows did not and staff were being asked to bring their laptops into the office. VPN updates were also done automatically. ICT are current working on looking at alternatives.

Emergency Planning and Business Continuity Planning were discussed by the Group. Conversation centred around the profile of cybersecurity being raised, along with raising awareness and training amongst our workforce and elected Members. Experts within the industry suggest that the reality is for most organisations 'when' we have an attack rather than 'if'.

Cllr Moesby also mentioned Covid and Brexit. He enquired if this would cause any problems now we had left the EU. Lee said that Directors were involved at a County level with Brexit and the EU transition and the impact on the Council was less than other areas. All issues were being monitored and an action plan was in place. Cllr Moesby also enquired about OJEU requirements and if they were still in place. Theresa said that Sandy was currently looking into the new arrangements.

1.8 INSURANCE CLAIMS/LEGAL CLAIMS

Tony advised that he categorised all claims and enquired what information was required for this meeting. Lee suggested that he and Tony identify trends and prepare a summary for the next meeting. Tony mentioned that if there were any trends he would raise them with the relevant Head of Service. It was agreed that a summary be prepared for the next meeting.

1.9 TRAINING

Lee Hickin - Director of Corporate Resources and Head of Paid Service who is also the Council SRO (Senior Risk Officer), advised that he was developing a training pack for staff, managers and elected Members around the topic of Risk Management.

1.10 HEALTH AND SAFETY UPDATE

Bronwen advised that most staff were working from home. However regular Covid inspections were taking place with the assistance of the Facilities Team. Emergency contact numbers for the Team had been provided and SAMT was aware of a presence at each site. Heads of Service were being taken through the Health and Safety Audit Plan.

1.11 POLICIES, PLANS AND STRATEGIES REVIEW – ACROSS THE COUNCIL

The group requested that any policy/plan in development at present or planned for the near future should be either brought to or emailed to the Group for comment/consideration in relation to any risk elements.

1.12 AUDIT

The Group heard from the Head of Internal Audit who advised that recent audit work had not identified any major control risks due to Covid-19. The Audit Plan for 2021/22 would be formulated in Jan/Feb 21 and officers were requested to consider potential areas for audit next year. The Audit Plan would be discussed with Director of Corporate Resources and Head of Paid Service, S151 Officer and considered at the Risk Management Group.

1.13 EMERGENCY PLANNING/BUSINESS CONTINUITY PLANNING

Discussion took place around the contact list arrangements in an emergency. Nicki Astle said that an SMS group had been set up and any Heads of Service/Managers with work phones had been added. Matt Broughton added that most Teams have their own What's App Group where they can be contacted. Lee and Matt agreed to discuss further and provide an update at the next meeting.

2 Conclusions and Reasons for Recommendation

- 2.1. The Council have in place a robust Risk Management Strategy and action plan which enables the organisation to manage the many and varied risks facing the Council. The approach to managing those risks is applied within decision making processes and is continuous with a structured review process overseen by the Risk Management Group.
- 2.2. The Risk Management Group is elected Member led and includes the Councils Senior Risk Officer (SRO), Senior Information Risk Officer (SIRO), S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group provides a comprehensive oversight of risk throughout the organisation and is now becoming the conduit to and from the whole organisation in terms of risk management. The Risk Management Group is now able to provide risk management reporting to stakeholder groups across the Council and will support the production of the Annual Governance Statement.
- 2.3. The Risk Management Group have made significant progress in ensuring that risk is effectively managed within the organisation. By leading on the development and review of all risk related policies, plans and strategies across the Council, the Risk Management Group will provide consistency of approach and alignment of all service areas in relation to risk management. By overseeing and championing the implementation of the Risk Management Strategy and associated action plan including training 'relating to' and the 'embedding of' an effective risk management culture, the Risk Management Group will be pivotal in the organisations future success.

3 Consultation and Equality Impact

- 3.1. There are no consultation or equalities issues arising from this report which necessitate a formal consultation process. The new Strategy has however included consultation with; SAMT; Audit Committee and Executive previously.

4 Alternative Options and Reasons for Rejection

- 4.1. Under relevant good practice and to facilitate the development of robust managerial arrangements the Council is required to prepare a Strategic Risk Register as part of its risk management framework. This report is intended for Members and Officers to consider both the Strategic Risk Register, together with the Council's wider framework for managing risk and partnerships. Given the importance of these arrangements for the overall governance of the Council it is necessary to subject them to regular review. The alternative of not providing this is therefore rejected.

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5 Implications

5.1 Finance and Risk Implications

- 5.1.1 There are no additional financial implications arising out of this report. Whilst, where appropriate, additional mitigation measures have been identified and implemented during the course of preparing the Strategic and Operational Risk Registers, the cost of implementing this mitigation will be met from within previously agreed budgets.
- 5.1.2 Risk Management Issues are covered throughout the body of the main report.

5.2 Legal Implications including Data Protection

- 5.2.1 There are no legal or data protection issues arising directly out of this report.

5.3 Human Resources Implications

- 5.3.1 There are no human resource issues arising directly out of this report.

6 Recommendations

- 6.1. That the Audit Committee notes the report and Strategic Risk Register as at April 2021 as set out in **Appendix 2**.

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p><i>BDC: Revenue - £75,000</i> <i>Capital - £150,000</i> <input type="checkbox"/></p> <p><i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	Yes
<p>District Wards Affected</p>	None directly
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8. Document Information

Appendix No	Title
1	Strategic Risk Register as at November 2020
<p>Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>	
Service Area Operational Risk Registers	
Report Author	Contact Number
Lee Hickin – Director of Corporate Resources	7218