

STRATEGIC RISK REGISTER (UPDATED AS AT Q2 2020/21)

Appendix E

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last Quarter
<p>1 Government Funding - a reduction in core funding.</p> <p>As a growth area, the Council's proportion of core funding is heavily reliant on the New Homes Bonus (NHB) and Business Rates.</p> <p>This makes it potentially vulnerable from changes to the current distribution system relative to other authorities who still receive Revenue Support Grant. This is a potential weakness highlighted in the Council's Financial Resilience Index.</p>	<p>Overall income has been increasing in recent years from the NHB and Business Rates growth. There has been uncertainty for some time regarding the replacement for the NHB and future changes to the Retention of Business Rates, which could disadvantage the Council relative to other authorities.</p> <p>The Government have delayed implementing outcomes from their Fair Funding Review until 2022/23. In the meantime, the Council awaits the Settlement for 2021/22.</p> <p>In addition, there may be a longer-term impact of the current Covid-19 pandemic on the level and distribution of resources for local government.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Financial Planning</p> <p>The Council plans its finances over five years for the General Fund and 10 years for the Housing Revenue Account. Its financial target of achieving a minimum level of contingency balance on a rolling five-year basis allows for a planned and timely approach to address any financial difficulties.</p> <p>The Medium-Term Financial Plan (MTFP) is regularly reviewed, updated and reported to the Finance Committee on a quarterly basis.</p> <p>Current Financial Position</p> <p>Overall, the General Fund shows a healthy position due to its current level of reserves.</p> <p>The medium-term forecast indicates an increasing deficit in future years although this is a worst-case scenario as it forecasts increasing expenditure to meet the population growth, but a reduction in income. Projected budget deficits could be financed from reserves if required.</p> <p>The impact of Covid-19 on the short term (2020/21) financial position is being kept under review and it is currently anticipated that temporary increases in expenditure and loss of income can be met from additional Government funding received. The position is being kept under review and reported to the Finance Committee on a quarterly basis.</p>	<p>No changes to the risk rating.</p> <p>The risk is red due to the high likelihood of some change occurring which could have a significant impact.</p> <p>However, the situation is not critical at this stage.</p> <p>Updated mitigating actions.</p>

<p>2 The Economy - the impact of the national economic situation locally.</p> <p>Any negative effects could be disproportionate for the District as a significant growth area.</p>	<p>Prior to Covid-19, the local economy had been relatively strong and growing. This has slowed down.</p> <p>The impact of the current Covid-19 pandemic could have a longer-term impact on the Council's core income as residents and businesses may face difficulties in paying Council Tax, Business Rates and Rent. It could also result in a recession in the local economy.</p> <p>In addition, the introduction of negative interest rates by the Bank of England, which is currently being considered, could mean that the Council will have to pay to have its cash and reserves on deposit.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Support for Local Businesses</p> <p>The Government has provided various funding and support for local businesses and residents to help them overcome the impact of Covid-19.</p> <p>Regeneration</p> <p>In addition, major residential development has largely continued and following an initial downturn in planning applications in April 2020, they have since shown a strong and sustained upward turn. In addition, the sale of the Council's former Depot Site for redevelopment has been completed and work commenced.</p> <p>The Finance and Management Committee approved a new capital investment programme of approximately £4 million on 8 October 2020 which will provide resources for regeneration and community projects.</p> <p>Treasury Management</p> <p>The MTFP is not reliant on interest rates increasing from the current level to generate revenue on its reserves and balances. Any increase would be a direct benefit to the Budget.</p> <p>However, the Council's Lending Policy is currently under review to mitigate the risk of negative interest rates should they be implemented.</p> <p>Apart from debt associated with its Council Housing, the Council is debt free. Regarding the debt, a significant amount is at fixed interest rates and is affordable within the Housing Revenue Account's financial plan. The interest rate associated with a smaller proportion of variable rate debt, is below that budgeted.</p>	<p>No changes to the risk rating.</p> <p>The risk is red due to the high likelihood of some change occurring which could have a significant impact.</p> <p>However, the situation is not critical at this stage.</p> <p>Updated mitigating actions.</p>
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<p>3a Technology and Data - keeping pace with developments in IT, together with the management and security of data.</p>	<p>There is a potential for digital and technology opportunities to be missed with the Council operating unsupported systems which pose a greater security risk.</p> <p>There is also the potential for reputational damage, together with possible fines, should a data breach occur.</p>	<p>Treat the risk through continuous review and action where needed.</p> <p>Some aspects of this risk can be transferred as insurance cover is in place for the replacement or restoration of data.</p>	<p>IT Upgrades and Development</p> <p>The Council has an ICT replacement programme in place which directs hardware and corporate infrastructure upgrades. This is resourced through provision in the IT base budget, together with an IT Asset Replacement Reserve. New laptops, smartphones and an upgrade to Microsoft 365 has been completed in 2020.</p> <p>Security of Systems</p> <p>The Council is currently compliant with the Government's Public Services Network requirements. Regular Internal Audit Reviews test the robustness of systems and the infrastructure with recommendations to strengthen the ICT environment being reported to and monitored by the Audit Sub-Committee.</p> <p>Due to potential virus attacks, measures are in place to restrict Internet access and to control the use of mobile devices.</p> <p>Security of Data</p> <p>Regular briefings and guidance documents are issued to raise awareness of data and security issues. An E-learning package is completed annually by all Officers with access to Council systems and equipment.</p> <p>The Council's Data Protection Officer reports directly to the Leadership Team on matters concerning Information Governance.</p> <p>The Council is currently reviewing its Payment Card Industry (PCI) compliance to overcome some potential weaknesses in handling card payments by telephone. An external agency is currently supporting the Council through this process. The implementation of actions to strengthen security and the safeguarding of data are being monitored by the Audit Sub-Committee.</p>	<p>No changes to the risk rating.</p> <p>Updated mitigating actions.</p>
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<p>3b Technology and Data – quality of performance data.</p>	<p>If this is not robust and meaningful, it could lead to misreporting and incorrect decision making.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Implementation of the recommendations made within the Data Quality and Performance Management Audit undertaken in September 2019.</p> <p>Undertake an annual quality audit if deemed necessary, performed by officers or Internal Audit.</p>	<p>No change</p>
<p>4 Business Continuity - arising from the loss of the main Civic Offices, Depot, ICT capability, together with a major displacement of the workforce, a flu pandemic or a fuel shortage, etc.</p>	<p>Previously, the impact of Brexit had been an issue, but as the UK has now left subject to a negotiated deal, this risk has been downgraded for the time being.</p> <p>This situation continues to be kept under review pending a trade deal being negotiated with the EU.</p> <p>However, the live issue is now the impact of Covid-19.</p>	<p>Treat the risk through continuous review and action where needed.</p> <p>Some aspects of this risk can be transferred as business interruption cover is in place as part of the Council's Property Insurance Policy.</p>	<p>Business Continuity and Emergency Plans are in place and regularly reviewed in accordance with the Civil Contingencies Act. The Council buys in support from Derbyshire County Council to ensure that the Council's plans remain up to date.</p> <p>Provision for home-working and remote access is in place.</p> <p>As regards Covid-19, the Council is working to its Business Continuity Plan to ensure essential services are continued. This is being undertaken within national guidelines and in conjunction with other agencies in Derbyshire. Guidance is being provided to staff and the public regarding on-going services and to help protect health and well-being.</p>	<p>The risk rating has not increased from Amber as the Council's Business Continuity arrangements have generally worked and allowed services, which have been allowed to operate by the Government, continuing to do so.</p> <p>However, this is being kept under review.</p>
<p>5 Capacity and Resilience - recruitment, retention and development of the workforce and dealing with additional demand for services due to Growth.</p>	<p>Resources set-aside in the MTFP in growth provisions and training budgets to expand service provision and develop the workforce.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Since 2018, several major services across the Council have been restructured to strengthen service provision and improve capacity. Proposed restructures in Operational Services and Housing are being considered by the Finance and Management Committee on 8 October to increase capacity and resilience. A restructure of the Council's Senior Management was implemented on 1 April 2019. The aim of the new structure was to create resilience in service provision with the creation of new Head of Service posts, including a new post to focus on Organisational Development. The management restructure also combined resources to create centralised Business Change and Policy teams to support business transformation across the Council.</p>	<p>No changes to the risk rating.</p> <p>Updated mitigating actions.</p>

<p>6 Voluntary and Community Sector - a reduction in resources for partners who deliver services with or on behalf of the Council.</p>	<p>Evidence that this is occurring with CVS and Citizens Advice having core funding reduced in recent years.</p>	<p>Tolerate the current situation and keep under review.</p>	<p>It is considered that the Council is undertaking as much action as is reasonably possible at this stage to mitigate the risk.</p> <p>The Council's current grant funding has been maintained and been increased in 2020/21 by 2% for all supported organisations.</p> <p>Spending can be refocused to meet external funding requirements and is project-based.</p> <p>The Council employs a dedicated Community Partnership Officer to support the voluntary sector and local organisations.</p> <p>Capacity in the sector is being tested in the light of Covid-19 and the Council is working to support the relevant organisations.</p>	<p>No changes to the risk rating.</p> <p>Updated mitigating actions.</p>
<p>7 Terrorism and potentially violent situations – as a public body there is a potential for the Council and its workforce to become a target.</p>	<p>From time to time, members of the workforce do face individual threats while undertaking their duties.</p>	<p>Treat the risk through continuous review and action where needed.</p> <p>Some aspects of this risk can be transferred as the Council has a Terrorism Insurance Policy in place.</p>	<p>Lone working systems in place including a 'Solo-Protect' warning and call for assistance system.</p> <p>A Potentially Violent Persons Policy and Risk Register are in place.</p> <p>Alarms and warning system in place in the Civic Offices.</p>	<p>No change</p>
<p>8 Statute and Regulation – the failure to meet requirements.</p>	<p>There is no recent evidence to suggest any significant issues; the impact would depend on the nature of the failure.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>This applies to many Council services. In general, the necessary skills and resources are in place to ensure that the Council meets its statutory duties. In addition, the Council's Constitution, policies and procedures aim to support strategic and regulatory delivery.</p>	<p>No changes to the risk rating.</p> <p>Updated mitigating actions.</p>

			<p>Note: Some aspects of this risk can be transferred as the Council has insurance cover in place. If the failure rises due to an action of an employee during the normal course of their duties, it is covered under the Official Indemnity (accidental or negligent act) or Professional Indemnity (breach of professional duty) Policies.</p>	
<p>9. Health and Safety – the potential to contravene regulations through bad practice.</p>	<p>Due to the continuing focus given to Health and Safety, the likelihood of a major incident is low, but the impact could be significant.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>The Council employs a corporate Health and Safety Officer.</p> <p>An on-going training programme is in place for all staff and for parts of the workforce where there is a greater risk of an accident.</p> <p>Accidents and near misses are logged, reported and reviewed corporately and any major incidents are investigated to review procedures.</p> <p>Risk assessments are regularly undertaken, and procedures updated when necessary.</p>	<p>No change</p>
<p>10. Managing the environmental impact of incidents across the District.</p>	<p>This risk concerns incidents arising directly from actions by the Council in the provision of its services. For example, an oil spill which contaminates land or water courses, or the production of high carbon emissions adding to air pollution.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>The Council has plans in place through Emergency Planning to manage the environmental impact of any incidents across the District.</p> <p>The Council is accredited to the prestigious international ISO 14001 standard for Environmental Management.</p> <p>The Council has also declared a “Climate Emergency” and has a Corporate Steering Group to oversee an action plan to reduce the Council’s carbon footprint and become carbon neutral as an organisation by 2030.</p>	<p>No change</p>

STRATEGIC RISK MATRIX

Likelihood					
4 High			Business Continuity (4) Funding for the Voluntary Sector (6)	Core Funding (1) The Economy (2)	
			Technology and Data (3a) Performance Data (3b)		
3 Medium				Health and Safety (9) Environmental Impact (10)	
2 Low					
1 Unlikely					
					Terrorism (7)
		1 Minor	2 Moderate	3 Significant	4 Catastrophic
		Impact			

Risk Description

- 1 Government Funding - a reduction in core spending power
- 2 The Economy - the impact of the national economic situation locally
- 3a Technology and Data - keeping pace with developments together with the management and security of data
- 3b Technology and Data - Quality of performance data
- 4 Business Continuity - arising from the loss of the main Civic Offices, ICT capability, together with a major displacement of the workforce or a fuel shortage, etc.
- 5 Capacity and Resilience - recruitment, retention and development of the workforce and dealing with additional demand for services

- 6 Voluntary and Community Sector - a reduction in resources for partners who deliver services with or on behalf of the Council
- 7 Terrorism and Potentially Violent Situations - as a public body, there is potential for the Council and its workforce to become a target
- 8 Statute and Regulation - as a local authority the Council has a statutory duty to deliver many services and is required to operate within a regulatory framework
- 9 Health and Safety - the potential to contravene regulations through bad practice
- 10 Environmental Impact - managing environmental impact of incidents across the district