

STRATEGIC RISK REGISTER (UPDATED AS AT Q4 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.</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 currently shows a healthy position due to the level of reserves.</p> <p>The medium-term forecast indicates an increasing deficit in future years although this may be the 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, although this would become unsustainable well before 2025/26.</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.</p> <p>More recently, the Council is aware that there could be a significant cost increase in the Kerbside Recycling Service from October 2021. Coupled with</p>	<p>No changes to the risk rating.</p> <p>The risk remains red due to the high likelihood of some change occurring which could have a significant impact.</p> <p>Updated for the current financial position as reported to the Council in February 2021.</p>

			<p>the Fair Funding Review, this could potentially undermine the current position.</p> <p>Consequently, the Council has approved that no new revenue spending, over and above that approved by the Council in February 2021, is committed until the situation becomes clearer.</p> <p>Income and Expenditure is being kept under review and reported to the Finance Committee on a quarterly basis.</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, but has since slowed.</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, 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>The Council's Lending Policy is reviewed on a weekly and daily basis to mitigate the risk of negative interest</p>	<p>No changes to the risk rating.</p> <p>The risk continues to be red due to the high likelihood of some change occurring which could have a significant impact.</p>

			<p>rates and to expand the Counterparty List where it is safe to do so.</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>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 was 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>No changes to the risk rating.</p> <p>Updated mitigating actions regarding the upgrade of telephone infrastructure as approved by the Finance and Management Committee in January 2021.</p>

			<p>The Council's Data Protection Officer has direct access to the Leadership Team on matters concerning Information Governance.</p> <p>The Council is currently upgrading its telephone infrastructure to enable full compliance with the Payment Card Industry (PCI) regulations. The implementation of actions to strengthen security and the safeguarding of data subject to PCI, are being monitored by the Audit Sub-Committee.</p>	
<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 the EU, this risk has been downgraded for the time being.</p> <p>However, the situation continues to be kept under review pending any issues that may arise from the trade deal as it beds in.</p> <p><i>However, the live issue is still the impact of Covid-19.</i></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</p>	<p>Resources set-aside in the MTFP in growth provisions and training budgets to</p>	<p>Treat the risk through continuous review and</p>	<p>Since 2018, several major services across the Council have been restructured to strengthen service provision and improve capacity.</p>	<p>No changes to the risk rating.</p>

<p>the workforce and dealing with additional demand for services due to Growth.</p>	<p>expand service provision and develop the workforce.</p>	<p>action where needed.</p>	<p>Proposed restructures in Operational Services and Housing have recently been approved in 2020 to increase capacity and resilience.</p> <p>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 new posts to focus on Organisational Improvement/Learning and Development.</p> <p>The management restructure also combined resources to create centralised Business Change and Policy teams to support business transformation across the Council.</p> <p>These structures have become embedded in the organisation.</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 2021/22 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</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</p>	<p>Lone working systems in place including a 'Solo-Protect' warning and call for assistance system.</p>	<p>No change</p>

<p>potential for the Council and its workforce to become a target.</p>		<p>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>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>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><i>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.</i></p>	<p>No changes to the risk rating.</p> <p>Updated mitigating actions</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. <i>(See Risk 11 below)</i></p>	<p>No change</p>
<p>11. Climate Emergency – The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the District by 2050.</p> <p>Impacts on environment and economy; increased risk of major events: potential for litigation; reputational damage</p>	<p>Medium likelihood, Moderate impact – Although the Council has an approved Climate and Environment Strategy and Action Plan it has not been possible, as yet, to develop a clear route map for Council operations to achieve carbon neutrality, nor to enable all activities in South Derbyshire to become carbon neutral.</p> <p>We are not aware of any Council who has yet set out a viable route map however this is a rapidly evolving area of work.</p>	<p>Treat the risk through continuous review and action where needed.</p>	<p>Achievement of the carbon reduction ambitions are mainly vested in our Climate and Environment Strategy and Climate & Environment Action Plan.</p> <p>The Action Plan contains planned and programmed actions and will be reviewed annually. It will quantify the estimated net financial costs and net carbon savings associated with the contents of the Plan. The Plan will calculate the contribution of the Plan to the carbon reduction trajectory, along with the calculated shortfall in carbon reductions. Attaining the targets in the Plan is one of the Corporate Plan Key Performance Indicators.</p> <p>The Strategy and Plan have identified the main carbon emissions sources. The Council will be alive to the many and various windfall opportunities for interventions in between the annual Plan revisions where these are considered likely to make significant impacts on reducing emissions.</p> <p>Emerging statute, in particular the Environment Bill, will exert significant influence over the Council’s operations and indirect influence in relation to climate change.</p>	<p>No Change</p>
<p>12 Internet Connection - The effects of the internet</p>	<p>The Council has a main internet line into the Civic Offices, and this is shared</p>	<p>Treat the risk through continuous</p>	<p>New RA02 Circuits are being procured which have been specified with a resilient line. Although full resilience isn’t proved due to a single supplier, the</p>	<p>No Change</p>

<p>connection becoming unavailable for a length of time would be a major incident.</p>	<p>through the estate for end users.</p> <p>Most applications whether they are onsite or hosted will need the Council's internet connection to be active for their use.</p> <p>There is only one ISP in Swadlincote. Therefore if the cable is damaged or the service is disrupted, no internet connection will be available.</p>	<p>action and review.</p>	<p>lines are coming from different exchanges so both would have to be out of service for a total loss of connection.</p> <p>There are options to make some services available over alternative connections, be that personal or business, if needed.</p> <p>Smartphone users can use the mobile data connection to access outlook and teams etc.</p>	
<p>13 Technical Resource - The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational</p>	<p>The current pandemic has seen an upsurge in the demand for Technical assistance.</p> <p>Council meetings are conducted digitally and supported remotely.</p> <p>Availability of resource to conduct these meeting can be a problem that affects day to day operations.</p> <p>Day to day and project workload as well as its priority has increased through the pandemic.</p>	<p>Treat the risk through continuous action and review.</p>	<p>The COVID-19Fund is being used to finance an agency resource. The introduction of the post has offered relief for first line calls and Committee meetings.</p> <p>The agency resource is more expensive than an established post and is not a permanent solution.</p>	<p>No Change</p>
<p>14 Recycling Contract Procurement</p>	<p>Likelihood – Medium Impact - Significant</p> <p>There is a significant risk that the procurement may not deliver a viable contract, be significantly more costly than the current budget and not be mobilised in time for the expiry of the current contract</p>	<p>Treat the risk through continuous action and review.</p>	<p>A project specific risk register has been produced and approved by Finance and Management Committee.</p> <p>The Head of Operational Services has retained some interim management capacity to enable him to focus on the implementation of his organisational restructure approved by Environmental and Development Services and Finance and Management Committees, respectively. The appointment of the Operational Services and Business and Resources Managers as</p>	<p>New risk</p>

	due to potential delays in the procurement process.		<p>soon as is practicably possible; or source alternative interim specialist support is imperative to ensure the procurement process remains on track.</p> <p>The Head of Operational Services will regularly meet with the Strategic Director (Service Delivery), to update on progress.</p>	
--	---	--	---	--

STRATEGIC RISK MATRIX

Likelihood

4 High		<p>(4) Business Continuity</p> <p>(6) Funding for the Voluntary Sector (6)</p>	<p>(1) Core Funding</p> <p>(2) The Economy</p>	
3 Medium		<p>(3a) Technology and Data</p> <p>(3b) Performance Data</p> <p>(11) Climate Emergency</p> <p>(13) Technical Resource</p>	<p>(14) Recycling Contract Procurement</p>	

2 Low		(5) Capacity and Resilience (8) Statute and Regulation	(9) Health and Safety (10) Environmental Impact	
	1 Unlikely			(7) Terrorism (12) Internet Connection
	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
- 11 Climate Emergency - The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the District by 2050.
- 12 Internet Connection - The effects of the internet connection becoming unavailable for a length of time would be a major incident
- 13 Technical Resource - The Council relies on a small pool of technical specialists and support operatives to keep the organisation operational
- 14 Recycling Contract Procurement - There is a significant risk that the procurement may not deliver a viable contract, be significantly more costly than the current budget and not be mobilised in time for the expiry of the current contract due to potential delays in the procurement process.