

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Report to the Audit and Accounts Committee

1 December 2023

TITLE:	Risk Management Update (overview of strategic, operational and project risks)
PORTFOLIO HOLDER:	Cllr Mike Gledhill – Leader
CONTACT OFFICER:	Project Information Officer
WARDS INVOLVED:	Non-specific

Appendices attached:

Appendix A: Strategic Risks (by exception)

Appendix B: Operational Risks (by exception)

Appendix C: Project Risks (by exception)

Appendix D: Opportunity Risks (all registers by exception)

1. Reason for the Report

- 1.1 The purpose of the report is to enable the Committee to seek assurance as to the adequacy of the Council's Risk Management arrangements in accordance with accepted good practice.

2. Recommendations

- 2.1 That the committee notes the Council's current risk position and the mitigation / fruition plans summarised within Appendix A (strategic risks), Appendix B (operational risks), Appendix C (project risks) and Appendix D (opportunity risks).

3. Executive Summary

- 3.1 The Council's Strategic, Operational and Project Risk Registers are reviewed by the Audit and Accounts Committee on an exception basis. This report is based upon the Council's position as at September 2023.
- 3.2 The latest analysis of the Strategic Risk Register reveals that the Council has identified and assessed 18 strategic risks, of which 44% are rated as 'high' and therefore above the Council's risk tolerance threshold. The eight 'high' rated risks are listed in full at Appendix A.
- 3.3 The Operational Risk Registers reveal that the Council has identified and assessed 37 operational risks in total, of which 11 are rated as 'high' and therefore above the Council's risk tolerance thresholds. The details of all the

significant changes can be found at paragraph 9. The risks falling within the 'high' category are listed in full at Appendix B.

- 3.4 The project risk registers now cover 6 projects, with completions adjusting this figure accordingly. The project risk profile is bulleted below:
- 0% Critical
 - 6% High – 1 risk
 - 76% Medium – 13 risks
 - 18% Low – 3 risks

4. Evaluation of Options

- 4.1 There are no options to consider

5. How this report links to Corporate Priorities

- 5.1 Risk Management impacts on all service areas and therefore links to each of the Council's Corporate Plan aims.

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)
None

6.2 Workforce
None

6.3 Equality and Diversity/Equality Impact Assessment
This report has been prepared in accordance with the Council's Diversity and Equality Policies

6.4 Financial Considerations
Effective Risk Management contributes to financial objectives

6.5 Legal
None

6.6 Sustainability
None

6.7 Internal and External Consultation
None

6.8 Risk Assessment
The Council's Risk Registers are a critical element in the Council's Risk Management Framework.

ANDREW P STOKES
Chief Executive

7. Background and Introduction

- 7.1 The Council ensures that it undertakes a deliberate and systematic identification of the key risks that might prevent, degrade, delay or enhance the achievement of its objectives and priorities. The Council's Risk Management Strategy sets out the process for undertaking this on an ongoing basis.
- 7.2 In addition to the identification of risks, managers also have to quantify them in terms of likelihood and potential impact. The risks are then recorded in the Council's Risk Registers. These have three aspects – strategic, operational and project risks.
- 7.3 Under the Risk Management Strategy, the Council's 'risk tolerance' threshold is set along the border between 'medium' and 'high' rated residual risks. The Strategy stipulates that mitigating actions should be identified for all risks that exceed this threshold.
- 7.4 The Council's Strategic, Operational and Project Risk Registers are reviewed on a quarterly basis and reported into the Corporate Risk Management Group and the Audit and Accounts Committee (bi-annually) on an exception basis. The appendices provide details of all risks that have been rated as 'high' or above, and therefore beyond the Council's risk tolerance threshold.

8. Strategic Risks

- 8.1 The September 2023 review of the Strategic Risk Register reveals that the Council has identified and assessed 18 Strategic Risks, of which 44% are rated as 'high' and therefore above the Council's risk tolerance threshold.
- 8.2 The Council's risk profile is displayed below.

Residual Risk Rating	Staffs Moorlands Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	-	8	8
Medium	1	8	9
Low	-	1	1
Total Risks			18

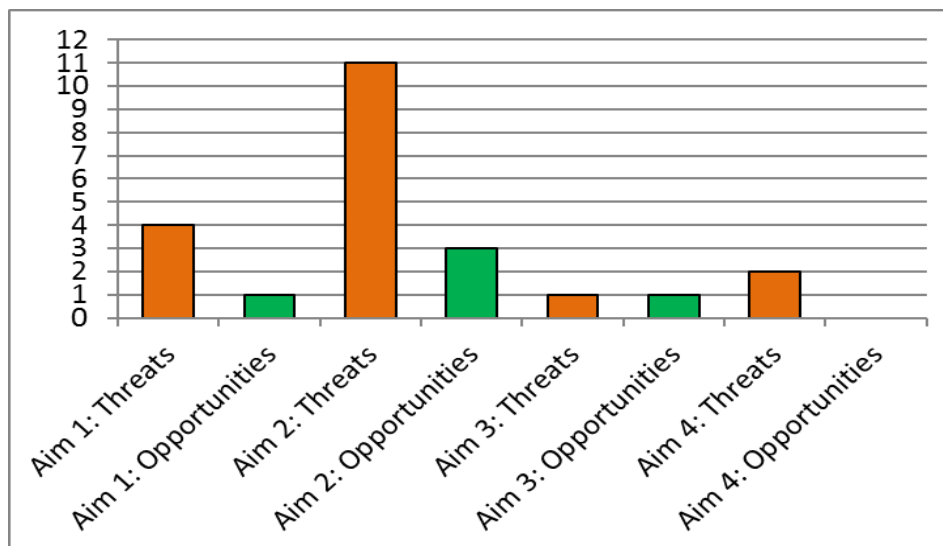
- 8.2 The eight high rated risks are mapped on Matrix 1 below and the four high rated opportunity risks are shown on Matrix 2. The graphic below illustrates the risk profile across both threats and opportunities and also across our Corporate Plan aims.

Matrix 1: Risk Threats

		Impact				
		1	2	3	4	5
Likelihood	5					
	4				- MTFP - World Events	
	3				- IT Security - Employees - Env Regs	- Contract Mngt - Investment into assets
	2					- Safeguarding duty
	1					

Matrix 2: Risk Opportunities

		Impact				
		5	4	3	2	1
Likelihood	5					
	4			- Effective contractor relations - Delivery of LUF schemes		
	3	- Housing & Business Growth				
	2					
	1					



Operational Risks

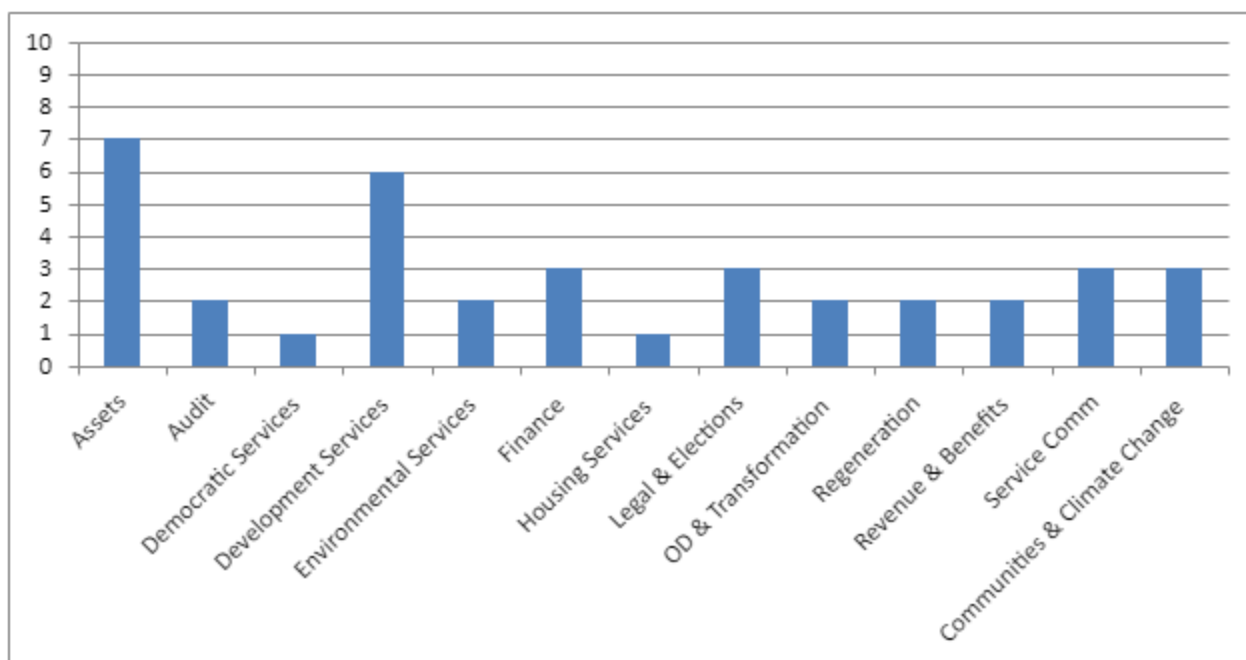
9.1 The September 2023 analysis of the Operational Risk Registers reveals that the Council has identified and assessed 37 operational risks in total, of which 11 are rated as 'high' and therefore above the Council's risk tolerance threshold. Changes made to the risk registers since the last report are bulleted below:

- ❖ Development Services: 3 new low rated risks added (Alliance) : PL4- DBCP no longer able to provide building control services; PL5- DBCP provide poor quality service; PL6- DBCP make a loss.
- ❖ Housing Services: 2 low rated risks closed (Alliance) : CS5- resource impacts from the Homelessness Reduction Act ; CS6- Resource impact following the increase in Universal credit claims due to the impact of Covid-19. Both now considered business as usual.

9.2 The 11 risks falling within the 'high' category are listed in full at Appendix B. A full breakdown of the Council's operational risk profile is given below:

Residual Risk Rating	Staffs Moorlands Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	-	11	11
Medium	1	13	14
Low	-	11	12
		Total Risks	37

9.3 The greatest number of operational risks still sits within Assets. An analysis of the alignment of risk to our corporate objectives shows that most operational risks relate to the use of resources in order to achieve value for money.



10. Project Risks

10.1 The alliance's project management methodology requires all projects to present an assessment of associated risks at Stage Two of the decision-making process for project approval.

10.2 Existing project risk registers are detailed below:

- Cheadle Town Centre
- Brough Park
- Tunstall Road area
- Sports Village
- Procurement Workflow
- Developer Contributions

10.3 The profile of project risk threats overall is bulleted below:

- 0% Critical
- 6% High – 1 risk
- 76% Medium – 13 risks
- 18% Low – 3 risks

10.4 In addition, a total of 8 opportunity risks have been identified across 4 of the above projects and all above tolerance positive risks are reported in Appendix D.