

# **HIGH PEAK BOROUGH COUNCIL**

## **Audit & Regulatory Committee**

**31 July 2024**

<b>TITLE:</b>	<b>Risk Management Update</b>
<b>EXECUTIVE COUNCILLOR:</b>	<b>Councillor Alan Barrow - Executive Councillor for Corporate Services and Finance</b>
<b>CONTACT OFFICER:</b>	<b>Tanya Cooper- Head of Organisational Development and Transformation Julie Nankivell Information Business Partner</b>
<b>WARDS INVOLVED:</b>	<b>Non-specific</b>

### **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 on the adequacy of the Council's Risk Management arrangements in accordance with accepted good practice.

### **2. Recommendation**

- 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 Regulatory Committee on an exception basis. This report is based on the Council's position as at March 2024.
- 3.2 The latest analysis of the Strategic Risk Register reveals that the Council has identified and assessed 20 strategic risks, of which 9 (45%) are rated as 'high'

and, therefore, above the Council's risk tolerance threshold. The nine 'high' rated risks are listed in full at Appendix A.

3.3 The Operational Risk Registers reveal that the Council has identified and assessed 52 operational risks in total, of which 16 (31%) 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 cover 11 projects and the risk profile is bulleted below:

- 0% Critical
- 21% High – 11 risks
- 37% Medium – 19 risks
- 42% Low – 22 risks

#### 4. **How this report links to Corporate Priorities**

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

#### 5. **Alternative Options**

5.1 There are no options to consider

#### 6. **Implications**

6.1	<u>Community safety, including safeguarding and prevention of terrorism</u> None
6.2	<u>Workforce</u> None
6.3	<u>Equality and Diversity/Equality Impact Assessment</u> This report has been prepared in accordance with the Council's Diversity and Equality Policies
6.4	<u>Financial Considerations</u> Effective Risk Management contributes to financial objectives
6.5	<u>Legal</u> None
6.6	<u>Climate Change and Sustainability</u> None

6.7	<u>Conservation and Enhancement of Biodiversity</u> None
6.8	<u>Consultation</u> None
6.9	<u>Risk Assessment</u> The Council's Risk Registers are a critical element in the Council's Risk Management Framework.

ANDREW P STOKES  
**Chief Executive**

**Web Links and  
Background Papers**

Risk Registers March 2024

**Contact details**

Tanya Cooper  
Head of Organisational Development and  
Transformation  
tanya.cooper@highpeak.gov.uk,  
Julie Nankivell Information Business Partner  
Julie.Nankivell@highpeak.gov.uk

## 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 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 (after taking mitigating measures) 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 to the Corporate Risk Management Group and the Audit and Regulatory Committee 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.
- 7.5 As identified in the External Auditor's latest report and the Corporate Peer Challenge report, a review of the council controlled companies will be undertaken. Whilst they are not considered a significant risk, as there are several means of assessment, measurement and governance of them in place, a review will be conducted that will factor in all the company risks.

## 8. Strategic Risks

- 8.1 The March 2024 review of the Strategic Risk Register reveals that the Council has identified and assessed 20 Strategic Risks, of which 9 (45%) are rated as 'high' and, therefore, above the Council's risk tolerance threshold.
- 8.2 One new low rated strategic risk was added to the register during Q3 regarding the impact of severe weather.
- 8.3 There are four opportunity risks within the register; housing growth, business growth, commercialism (trading) and effective contractor relations, of which 3 (75%) are rated as 'high'. The Alliance is working to reap the benefits from the opportunity risks.
- 8.4 The Council's risk profile is displayed below.

Residual Risk Rating	High Peak Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	1	8	9
Medium	1	8	9
Low	-	2	2
		<b>Total Risks</b>	<b>20</b>

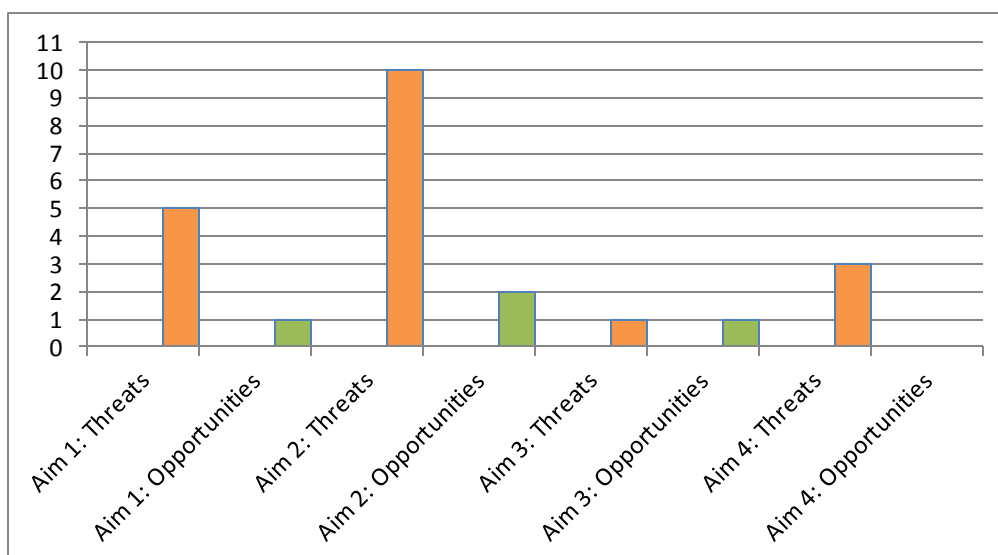
**Matrix 1: Risk Threats**

		Impact				
		1	2	3	4	5
Likelihood	5					
	4				- MTFP - World Events	
	3				- IT Security - Employees - Env Regs - Social Housing	- 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		
	3	-Housing & Business Growth				
	2					
	1					

8.5 The nine high rated risks are mapped on Matrix 1 above and the three high rated opportunity risks are shown on Matrix 2. The graphic below illustrates the risk profile of all threats and opportunities across our Corporate Plan aims.



## 9. Operational Risks

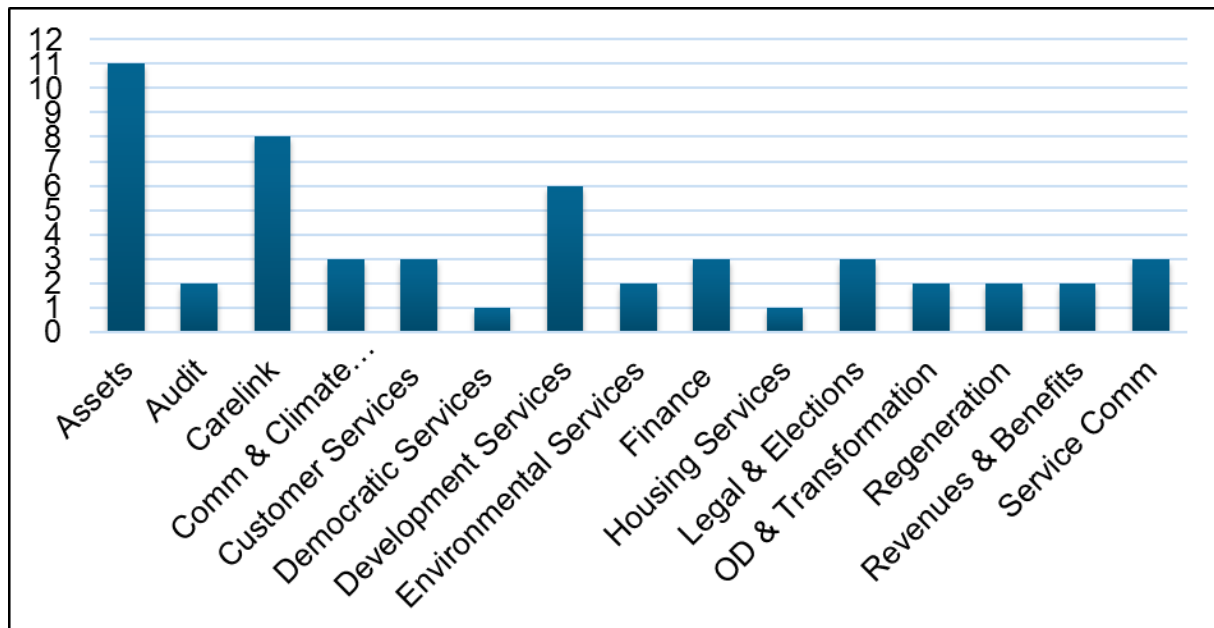
9.1 The March 2024 analysis of the Operational Risk Registers reveals that the Council has identified and assessed 52 operational risks in total, of which 16 (31%) are rated as 'high' and, therefore, above the Council's risk tolerance threshold. Changes made to the risk registers since the last report are listed below:

- ❖ Customer Services: New register created including 2 medium and 1 high-rated risk around customer dissatisfaction, information systems and safeguarding (specific to frontline staff).
- ❖ Assets: 1 new high-rated risk added around the significant failing in fire door compliance; Housing disrepair risk increased from medium to high; Recruitment and Retention risk increased from medium to high; Availability of Materials risk increased from low to medium.

9.2 The 16 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	High Peak Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	3	13	16
Medium	4	15	19
Low	6	11	17
		<b>Total Risks</b>	<b>52</b>

9.3 The chart below shows that the greatest number of operational risks sit within Assets, followed by Carelink (part of Housing). 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 A number of projects have been completed since the last report. Existing project risk registers are detailed below :

- Accelerated housing delivery programme
- Glossop Halls
- HAZ Scheme Buxton
- Local Plan Review
- Procurement Workflow
- Buxton Future High Street Fund .
- Developer Contributions
- Manor Park play area
- Derby Road play area
- Cote Heath Park play area

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

- 0% Critical
- 21% High – 11 risks
- 37% Medium – 19 risks
- 42% Low – 22 risks

- 10.4 Accelerated Housing Delivery project : Risk with the delay in signing the Deed of Variation and discharging GFA conditions has increased to high, details are reported in Appendix C.
- 10.5 In addition, a total of 17 opportunity risks have been identified across 8 of the above projects, and all above tolerance positive risks are reported in Appendix D.