



Rochford District Council

COMMITTEE TITLE **Audit & Governance Committee**

DATE **2 July 2024**

REPORT TITLE:	Risk Management update
REPORT OF:	Tim Willis, Interim Resources Director

REPORT SUMMARY

This report updates members of the Audit Committee on the status of the Council’s 2024/25 Strategic Risk Register.

The number of very high risks is three, one more than the last report to the committee.

RECOMMENDATIONS

R1 That the Committee notes the report.

1.0 BACKGROUND INFORMATION

- 1.1 A risk management report and register is considered quarterly by the Corporate Leadership Team (CLT), to ensure that strategic risks are updated to reflect ongoing changes to the internal and external environment. In addition to this, the Risk & Insurance Manager liaises with service heads on an ongoing basis to maintain active management of risks, including strategic, operational and project risks.
- 1.2 Appendix A sets out the strategic risks, each of which is the responsibility of a risk owner. Each risk is scored (out of five) for both likelihood and impact, with a combined score arrived at by multiplying one by the other. Guidance on scoring is set out in the risk ranking table in Appendix B.
- 1.3 The Committee should note that there have been some presentational changes to the risk register reporting. Appendix A is slightly simplified, in order to make it more readable, both on line and in hard copy format. A more detailed version is considered by risk owners and the detailed version is now uploaded to the council’s website after being approved by the committee. Apart from increasing transparency, this has the additional benefit of the reader being able to track the progress of individual risks, e.g.

not just the risk description, mitigations and latest planned actions, but also the actions included in each quarterly report in the past.

1.4 Each quarterly risk report will highlight and explain the very high risks, any changes to risk scores and any new risks or risks that have been removed from the strategic risk register. Even if a risk is not included in the strategic risk register, it does not mean that it is not being managed – only that it does not require the intervention of CLT to help manage it. The last report to Audit Committee was on 26 March 2024.

1.5 Very high risks

- Risk 17 - Asset Delivery Programme partnership fails to bring about the project benefits:

The Council is in the process of reviewing its partnership and is utilising external support to derisk the asset development to the Council.

- Risk 18 - There is a threat of loss of data or access to network due to cyber attack that may result in digital disruption with a loss of productivity and service provision to residents:

The Council is actively involved in the Essex-wide LA cyber partnership, with response framework, sharing intelligence and good practice. It is also a member of regional WARP (Warning, Advice and Reporting Point) to share and receive up-to-date advice on information security threats, incidents and solutions. This risk score is relatively high and is likely to remain so, despite mitigations. Given the continued threat and adverse impact of a successful cyber-attack, officers will strive to put in place defensive measures that minimise the likelihood. These measures will be proportionate to balancing the needs of the Council to deliver public services and its commitment to transparency. Officers are also looking to work with the National Cyber Security Centre and Local Government Association.

- Risk 20 - Current leisure operator fails to complete the outstanding dilapidations as required from the management agreement for Clements Hall and Rayleigh Leisure Centre which could impact on any new operator as part of the joint leisure procurement:

There are concerns regarding the current leisure provider discharging its responsibilities for dilapidations. There are regular meetings with the provider and an updated condition survey. These matters are relevant to the future capital investment need and the procurement of the new leisure provider.

1.6 Change to risk scores

- Apart from Risk 20 (above) there are no changes since last reported.

1.7 New/removed risks

- There is a new Risk 19 which is that the limited capacity within the Finance service could undermine the council's financial management and control. This has been added in light of vacant posts, the current restructuring of the finance service and the extreme difficulty in recruiting and retaining staff. The restructuring covers all finance posts below Corporate Manager/Deputy S151 Officer level, but one of the

two Corporate Manager posts is also vacant, as well as the S151 Officer post being covered on an interim basis. The permanent recruitment of the S151 Officer post is out to advert. The consultation period for the finance team restructuring will be complete at the end of June, after which it will be possible to fill any vacancies on a permanent basis.

2.0 OTHER OPTIONS CONSIDERED

2.1 None.

3.0 RELEVANT RISKS

3.1 The report itself is in relation to strategic risks.

4.0 ENGAGEMENT/CONSULTATION

4.1 None.

5.0 FINANCIAL IMPLICATIONS

5.1 None arising specifically from this report, but some risks include financial risks and some control measures identified in the risk register could have financial implications.

6.0 LEGAL IMPLICATIONS

6.1 Effective risk management provides a means of identifying, managing and reducing the likelihood of legal claims or regulatory challenges against the Council.

7.0 ECONOMIC IMPLICATIONS

**Name & Title: Name & Title: Laurie Edmonds, Corporate Manager – Economic Development Tel & Email 01277 312500
Laurie.edmonds@brentwood.rochford.gov.uk**

7.1 The economic implications are included within this report and identified in risk registers.

8.0 EQUALITY & HEALTH IMPLICATIONS

**Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health
Tel & Email 01277 312500 /kim.anderson@brentwood.gov.uk**

8.1 None.

9.0 ENVIRONMENTAL & CLIMATE IMPLICATIONS

**Name & Title: Henry Muss, Sustainability & Climate Officer
Tel & Email 01277 312500 /henry.muss@brentwood.gov.uk**

9.1 Environmental and climate implications are contained within the report and identified in risk registers.

REPORT AUTHOR:	Name:	Tim Willis
	Title:	Interim Resources Director and S151 Officer
	Phone:	01277 312500
	Email:	tim.willis@brentwood.rochford.gov.uk

APPENDICES

Appendix A: Strategic Risk Register

Appendix B: Risk ranking table

ROCHFORD DISTRICT COUNCIL STRATEGIC RISK REGISTER

Risk No.	Risk Owner	Risk	Controls and Mitigations	Out of 5 Current Score May 2024			Further Planned Actions
				L	I	S	
Risk 1	Director, Policy & Delivery	We fail to deliver the objectives of the Council's Business Plan in terms of measurable outcomes.	Business Plan agreed and supported by Medium Term Financial Strategy (MTFS) Key programmes of work defined Plans identify key priorities for service delivery Agreed budgets for work programmes and projects Project plans and progress monitoring tools External project management resource supporting key Connect and #OneTeam Transformation processes	3	2	MEDIUM	New business plan continues to be worked upon. Plan and timeline set out to deliver new Business Plan Consultation being programmed which requires procurement Draft Themes agreed although final wording is likely to change the sentiment will remain Early Priorities that support the work of the emerging Business Plans themes are being worked up by the Administration which will enable the priorities to be monitored and measured.
Risk 2	Director, Communities & Health	There is a failure to ensure the safeguarding of our children and adults in the district (whether or not ordinarily resident here) who: (a) have needs for care and support (whether or not the authority is meeting any of those needs), (b) is experiencing, or is at risk of, abuse or neglect, and (c) as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it.	Safeguarding Policy and Procedures DBS checks in recruitment processes Attendance at safeguarding lead officers' network Attendance at multi-agency South Essex Stay Safe Group Designated person(s) for safeguarding issues Staff and Member training programmes Compliance with guidance from Essex Safeguarding Children Board (ESCB) and Essex Safeguarding Adults Board (ESAB)				
Risk 3	Director, Communities & Health	There is a serious Food, Environmental or other incident for which the Council is culpable / liable.	Premises inspections and actions under Annual Food Safety Service Plan Procedures for response to Food and Environmental complaints and reports	2	4	MEDIUM	One of the Environmental Protection officers has started the higher food hygiene certificate to allow them to conduct food inspections. This will mean that in the next two years they will be qualified to conduct food hygiene inspections, this is around the same time when one of the current food team is planning to retire. All Officers who conduct food inspections will carry out suitable inspections to maintain their competency.

Risk 4	Director Assets and Investments	There is a serious Health and Safety incident for which the Council is culpable / liable.	<p>Health & Safety Co-ordinators (HSCs) / Fire Marshals (FMs) and First Aiders in place</p> <p>Risk Assessments (for staff and contractors) and Safety Procedures</p> <p>Regular Corporate Health and Safety Assessment</p> <p>Health and Safety Policy – Annual Review</p> <p>Improvements to building security for RDC offices.</p> <p>Contract Monitoring to review Health and Safety Compliance of Contractors, Partners and/or anyone working for/on behalf of Rochford District Council.</p>	2	2	LOW	There has been no further change since the last quarter. Officers have identified a workplan on actions refreshing underpinning policies. Creating bitesize sheets for staff to understand their H&S responsibility. The Health and Safety committee are considering how an action plan can support the Council reporting on preventative measure highlighting the accidents that have been avoided. Online training is being rolled out across the authority and a detailed training programme is being developed alongside HR.
Risk 5	Director, Communities & Health	We fail to respond to, or provide, relevant services in the event of an incident or disaster	<p>Cloud based systems for IT and remote working established</p> <p>Attendance at Essex Resilience Forum</p> <p>Emergency Plans – regularly tested and reviewed</p> <p>Business Continuity Plans – regularly tested and reviewed</p> <p>Out of hours (OOH) response arrangements</p> <p>Prepare staff to assist in emergencies</p> <p>Essex Countrywide Traveller Committee Partnership Agreement</p> <p>Review of building security</p>				
Risk 6	Joint Acting Director of People & Governance	Council held data is lost, disclosed, or misused to detriment of individuals or organisations as result of inadequate protection	<p>Data Protection measures including Information Security Policies & Procedures</p> <p>Data sharing protocols are in place where information is shared between parties</p> <p>Annual review of systems and software required to ensure the necessary compliance by Government Connect Code of Connection (CoCo) (or necessary compliance levels?)</p> <p>Freedom of information (FOI) and Subject Access Request (SAR) procedures are in place.</p> <p>A data breach was experienced by the Revenues & Benefits software provider, Capita. The breach did not include sensitive personal data of Rochford residents but officers are working closely with Capita and the LGA (as other councils were also affected). The breach has been reported to the Information Commissioner.</p>	3	3	MEDIUM	

Risk 7	Director Policy & Delivery	Failure to engage with stakeholders to understand and communicate what the Council should be trying to achieve	<p>Consultation programmes involve Members, Residents, Businesses, Service Users, Parishes, Partners, and Staff Communications initiatives including RDC website</p> <p>Networking meetings with partners organisations and businesses</p> <p>Equality and diversity impact assessments of service changes and other proposals</p>	2	2	LOW	<p>Engagement Report went to committee and work is part of forward plan that cannot be considered until after the General Election</p> <p>The Engagement Strategy Continues to be developed.</p> <p>Committee wanted strategy to be consulted upon and therefore working up the consultation with local groups</p> <p>Seeking to report back to Committee in the autumn with Draft Strategy</p>
Risk 8	Director, Customer & Data Insight	We fail to innovate and develop new ways of meeting customer needs and expectations.	<p>Monitoring of Government announcements on public spending levels</p> <p>Staff involvement in cultural change e.g., Key Change Champions, staff consultation and innovation workshops, Connect Programme and #OneTeam Project Team.</p> <p>#One Team is now the new Transformation Programme for both organisations.</p> <p>“Connect” Programme Rochford’s transformation programme</p> <p>#One Team is now the new Transformation Programme for both organisations.</p> <p>Communications of savings and consequences to Members staff residents and clients/service users</p> <p>Equality Impact Assessments</p> <p>Budgetary controls</p> <p>Customer Feedback</p>	2	4	MEDIUM	<p>Service plans and transformation plans are in development which will provide a mechanism to capture, approve and track service improvements</p> <p>Telephony improvements being implemented Q1/Q2 2024-25</p> <p>Corporate Programme Board meets monthly to approve new projects, monitor delivery and ensure benefits are realised</p>
Risk 9	Director Resources (Section 151 Officer)	Failure to ensure financial sustainability for the Council. This includes the requirement to set a balanced budget and Medium Term Financial Strategy (MTFS) to allow for the successful delivery of the Council’s priorities as set out in its Business Plan, ensuring robust financial controls are in place to keep the budget on track in-year, and delivery of the Council’s Capital Programme.	<p>Robust budgetary monitoring & control is exercised by regular reporting and challenge with budget holders.</p> <p>Quarterly budget monitoring reports are presented to committee.</p> <p>Policy ideas and savings proposals are communicated with stakeholders via the appropriate forums, including the budget survey and Member briefings.</p> <p>The Medium Term Financial Strategy reflects corporate priorities, in the context of Government funding announcements for future financial planning.</p> <p>Active treasury management and cash flow management ensure cash is managed with a view to security, liquidity and yield.</p> <p>Adequate reserves and balances are maintained to manage short</p>	2	5	HIGH	<p>An early report to Strategy, Finance & Policy Committee will set out the updated 2024-25 capital programme, incorporating a proposed resolution to programme funding and rolled-over projects from 2023-24.</p>

Risk 10	Joint Acting Director of People & Governance	Inability to recruit, retain, develop, and manage appropriately skilled staff to deliver the Council's priority outcomes	People Plan - Organisational Development Plan Recruitment policy and procedures Probationary periods Induction, Training and Development plans Performance Reviews Appraisals OHS referrals Digitalised Procedure notes to be made available to appropriate officers in event of manager or other experienced officers' absence / non-availability Flexible retirement policy and procedure		4		
Risk 12	Director Resources (Section 151 Officer)	The Council could fail to provide consistent Value for Money (VFM) across its existing services, or when procuring new services	Value for money is ensured through the Sustainable Commissioning and Procurement Strategy Contract Procedure Rules (CPR) and Purchase ordering rules. Benchmarking, VFM and best practice case studies form part of Business Plan support activities. External Audit produce an annual report to Audit Committee on value for money. Internal Audit Reports consider value for money as part of most audits.	2	4	MEDIUM	The Procurement OneTeam review is complete and implemented. A newly arising vacancy in one of the two Senior Procurement Officer posts was subject to a failed recruitment in March 2024; since then, the other Senior Procurement Officer has resigned. Subsequently, the two procurement posts have been included in the Finance review and recruitment will begin once the review is finalised in July. The Contract Procedure Rules are subject to review in early 2024/25.
Risk 13	Joint Acting Director of People & Governance	Failure to ensure good governance of the Council's activities and delivery of its priorities.	Business Plans / Medium Term Financial Strategy The Local Code of Corporate Governance Council Constitution, Financial Regulations and Contract Procedure Rules Codes of Conduct and Registers of Interests for Officers and Members Council, Executive and Committee, LT reports, minutes, and records of decisions Internal Audit Programme Annual Governance Statement (AGS) and allied assurance framework Purchasing procedures Legally compliant tendering procedures Anti-Fraud and Corruption Policy Whistle Blowing Policy & Procedure National Fraud Initiative Anti-Money Laundering Procedures				

			<p>Project Plans, business cases and risk registers for each project</p> <p>Performance management system and reports</p> <p>Consultation documents and responses to consultation</p> <p>Community Right to Challenge process</p> <p>Regulation of investigatory Powers Act (RIPA) monitoring procedures and reports</p> <p>Compliance with new and updated legislation expected of Local Government</p>				
Risk 14	Director Customer and Data Insight	Rochford's ICT Estate does not fully support the achievement of the Business Objectives	<p>ICT Infrastructure Roadmap</p> <p>Digital Roadmap</p> <p>Contract and Performance Monitoring processes</p> <p>Lead Officer responsible for ICT</p> <p>Software and Hardware fully understood and managed by key officer(s) within RDC</p> <p>ICT decisions consider council wide issues and support RDC service delivery</p> <p>ICT assets are prioritised based on core functions and maintained</p> <p>Physical security of ICT assets protected</p> <p>Cyber Security controls in place</p> <p>Data loss controls (including Records and Retentions Policy Information Management Policy)</p> <p>Defined procedures in the event of the loss of access</p> <p>Supporting ICT policies and procedures in place</p> <p>Onsite and remote support procedures</p> <p>Partnership with Brentwood BC to provide additional skills and resilience</p> <p>External parties engaged to provide specialist services i.e. Cloud infrastructure, security</p>	2	4	MEDIUM	<p>Working with the Corporate Management Team and using embeded Business Change Management processes we will continue to improve, update and support the technical infrastructure that cerates the technology foundations for service delivery.</p> <p>We will continue to work with our partners to align contracts and services to the changing business needs.</p> <p>Further funding will be sort for key equipment and End User Devices to support Officers in their Service delivery and allow robust security practices to be maintaned.</p>
Risk 15	Joint Acting Director of People & Governance	The Council fails to ensure compliance with the General Data Protection Regulations (GDPR) and is unable to demonstrate consistent application of information standards, controls, and statutory compliance.	<p>Relevant Policies and Procedures</p> <p>Roles and Responsibility Training</p> <p>'Opt In' Consent fully detailed on all relevant paperwork.</p> <p>Internal Compliance Audits</p>				

Risk 16	Chief Executive Officer at Brentwood Borough and Rochford District Council	The partnership between Rochford District Council and Brentwood Borough Council fails to bring about the project benefits.	<p>Programme appropriately resourced to delivery outcomes</p> <p>Effective governance and monitoring in place</p> <p>Programme delivered within resource skill set</p> <p>Cross Council/services working produces successful delivery of programme</p> <p>Engaged key stakeholders with understanding of the programme, its goals/achievements and good working relationships with external partners at an operational and strategic level</p> <p>Personal/sensitive data appropriately between both Councils</p> <p>Managed change in Senior Responsible Officer (SRO)</p>				
Risk 17	Director Assets and Investments	The Asset Delivery Programme partnership fails to bring about the project benefits	<p>Programme appropriately resourced to deliver outcomes</p> <p>Effective governance and monitoring in place</p> <p>Programme delivered within resource skill set</p> <p>Engaged key stakeholders with understanding of the programme, its goals/achievements and good working relationships with external partners at an operational and strategic level</p> <p>Agreed programme review points</p> <p>Managed change in Senior Responsible Officer (SRO)</p> <p>Managed response to partner withdrawing from partnership</p>	3	5	VERY HIGH	The Council continues to review the partnership and to carry out the appropriate financial due diligence and risk assessment regarding the asset viability.
Risk 18	Director (Customer & Data Insight)	There is a threat of loss of data or access to network due to cyber attack that may result in digital disruption with a loss of productivity and service provision to residents.	<p>We have a Managed Security Service that includes a Security Operations Centre to monitor cyber threats. Immediate response plans are in place for critical threats, and regular investigation review are held, along with Account contract meetings.</p> <p>Most recent extensive cyber audit provided moderate assurance.</p> <p>Sept 2023 - implementation of a secondary Palo Alto backup Firewall & the introduction of the Janet network resolver service (JNRS) offering an additional light touch web filtering service for malicious content websites. Geo Blocker for remote access in place.</p>	3	5	VERY HIGH	<p>We continue to work with Partners across Essex, sharing best practice and intelligence. Work continues on data protection and recovery and we work with external parties on advice and good practice.</p> <p>We will continue to educate Officers and share information on current threat.</p> <p>We are looking to NCSC and LGA for support and good practice.</p>
		Vacancies and uncertainty for the Finance	Prioritise financial services that are statutory.				The consultation on the review of the finance service is scheduled to

Risk 19	Director (Resources)	vacancies and uncertainty for the Finance service coupled with a lack of available supply undermines the Council's financial management and control	Ensure the new finance structure has sufficient resilience. Be prepared to offer enhancements to recruit and retain staff. Post-restructure, develop a plan to recruit to vacancies and maintain resilience.	3	4	HIGH	be complete by the end of June 2024, after which existing staff will be incorporated into the new structure and vacant posts will be filled. Parallel with this, recruitment to the Director of Resources post is aimed to be complete in the summer.
Risk 20	Director of Assets & Investment/ Director of Community and Health	Current leisure operator fails to complete the outstanding delapidations as required from the management agreement for Clements Hall and Rayleigh Leisure Centre which could impact on any new operator as part of the joint leisure procurement. If the works are not undertaken then could fall to the Council or risk closure of the leisure facilities	Regular meeting with current leisure operator. Updated condition survey to highlight priority areas of work. Any new management fee could be negotiated Legal letter sent to leisure operator requesting update on the delapidation schedule	4	5	VERY HIGH	Considerations to be included as part of any capital programme of works Option analysis of risks and mitigations to be undertaken alongside the impact of the current shadow bids for the leisure procurement.

Likelihood	Almost Certain	99% likely to happen or has happened on a regular basis over the last 12 months	5	Low	Medium	High	Very High	Very High		
	Likely	75% likely to happen or has happened at least once or twice in the last 12 months	4	Low	Medium	High	Very High	Very High		
	Moderate	50% likely to happen or has happened once or twice in the last 24 months	3	Low	Medium	Medium	High	Very High		
	Unlikely	20% likely to happen or has happened once or twice in the last 5 years	2	Low	Low	Medium	Medium	High		
	Rare	5% likely to happen or hasn't happened within the last 5 years	1	Low	Low	Low	Medium	Medium		
Risk Ranking Table				1	2	3	4	5		
				Minor slippage	Minor	Moderate	Major	Catastrophic		
			Impact							
			Financial	Loss / overspend under £10K	Loss / overspend £10K - £100K	Loss / overspend £100K – £300K	Loss £300K - £1M	Loss over £1M		
			Service	Marginal disruption to service capacity	Short term disruption to service	Short term disruption to one service area. Objectives of one department not met	Short term loss of service or significant reduction to service. Service objective not met.	Medium/longer term loss of service. Failure to deliver at least one corporate objective		
				Unlikely to cause complaint	Low potential for complaint	High potential for complaint with possible litigation	High potential for complaint with probable litigation	Litigation almost certain		
			Reputation	No adverse publicity	Minor adverse publicity	Signification adverse local publicity	Adverse national publicity / significant adverse local publicity	Significant adverse national publicity		
			Legal / Regulatory	No legal implication	Breach of regulations / standards resulting in possible legal action	Breach of regulations / standards resulting in probable legal action	Breaches of law punishable by fines	Breaches of law punishable by imprisonment		
			Health & Safety	'First Aid' level injury	Medical treatment required – short term injury	Medical treatment required – long term injury	Extensive permanent injury – long term absence	Fatality		
			Effect on project objectives	Minimal impact to project. Minor slippage	Adverse effect to project. Slippage requires review of finances / short term programme	Important impact on project or most of expected benefits. Considerable slippage. Possible impact on overall finances / programme	Extreme delay	Complete failure of project		