REVIEW OF THE COUNCIL'S RISK REGISTER 2021/2022

1   PURPOSE OF REPORT

1.1   This report presents a six month review of the Council's Risk Register (CRR) for 2021/2022 for Members' consideration.

2   INTRODUCTION

2.1   The last update was presented to the Audit Committee in July 2021 when the updated 2021/2022 CRR was noted.

3   THE CORPORATE RISK REGISTER FOR 2021/2022

3.1   The summary 2021/2022 CRR is included at **Appendix A**.

3.2   All the key risks faced by the Council are presented, together with the controls in place to mitigate these risks and an assessment of whether each is considered High, Medium, or Low Risk. Each of the risks listed in the summary is supported by a fuller risk analysis that is available on request.

3.3   The CRR is supported by Service Area Risk Registers (SARRs) owned by each Assistant Director that identify the risks and mitigation controls which apply to each of the Council's service areas. They form part of a continual review and are monitored as part of the CRR review at Leadership Team meetings. The SARRs are available on request.

3.4   As part of the 2021/2022 Internal Audit programme, risk management is reviewed as is relevant to the audit being undertaken. Tests seek to confirm that controls are in place and are operating well to mitigate risk.

4   SIX MONTH REVIEW OF THE CORPORATE RISK REGISTER

4.1   The risks on the Corporate Risk Register cover both day-to-day operations and the new projects and initiatives required to achieve the Business Plan.

4.2   All Corporate Risks continue to be reviewed in the context of the COVID-19 pandemic.

4.3   Findings from internal audits will be reflected in the Corporate and/or Service Risk Registers as appropriate.

4.4   Since the 27 July Audit Committee, Leadership Team have conducted a Quarterly Business Review meeting which considered the summary Corporate Risk Register, with a focus on High risks and Poor controls.

4.5   Risk 2 (Safeguarding), Risk 3a (Food Safety), Risk 3b (Health and Safety), Risk 7 (Stakeholders), Risk 10 (Inability to recruit/retain), Risk 11 (Partnerships), Risk 14 (ICT) and Risk 15 (GDPR) were reviewed by Leadership Team in November 2021.

4.6 Risk 3b (Health and Safety) overall adequacy of controls has improved from Fair to Good as a result of further improvements in procedures and training across the service areas.

4.7 Risk 11 (Partnerships) title has been revised to reflect the contractual elements of the risk and the controls assessed as Fair have updated risk mitigation plans, which will improve their score to Good.

4.8 The following risk reviews did not result in any updates – Risk 2 (Safeguarding), Risk 3a (Food Safety), Risk 10 (Inability to recruit/retain) and Risk 15 (GDPR). There were minor wording updates to the remaining risks under review.

4.9 The remaining risks on the Corporate Risk Register will be reviewed over the next six months along with emerging issues.

5   AREAS WITH 'HIGH' RESIDUAL RISK

5.1 Risk 3b (Health and Safety) remains High, progress has been made in terms of increasing controls in place including policies and procedures; however, further assurance is needed around consistent application across the Council.

5.2 Risk 9 (Balanced Budget) remains High in light of the financial risks currently facing the Council which are common across most Local Authorities but will need to be actively managed and addressed by the Council as part of its budget setting and MTFS process for 2022/23 and beyond in order to ensure financial sustainability for the authority.

5.3 Risk 10 (Inability to recruit/retain) remains High, due to the underlying risks facing the Council as a small council which has to compete with larger local authorities and the private sector to recruit and retain staff; however, measures are in place to manage this risk via the Council's People Plan and other mitigating actions as detailed in the CRR.

6   STRATEGIC CROSS CUTTING ISSUES WITHIN THE CRR

6.1 COVID-19 is not specifically listed as an individual Corporate Risk since it is a known issue which is being actively managed; however specific areas of risk are reflected within the existing risks on the CRR as appropriate and are closely monitored by the Leadership Team. Services are kept informed of the latest developments and updates included on the relevant risk registers.

7   EMERGING ISSUES

7.1 An emerging area for consideration is the Levelling Up White Paper due this year. Work will continue to ensure an appropriate response can be provided when the White Paper is published. The CRR will be updated to reflect this work as it progresses.

8   WIDER RISK UPDATE

8.1   For each individual project, specific risk logs and actions are monitored within the project documentation. These will change as the projects evolve.

8.2   For each individual project, specific risk logs and actions are monitored within the project documentation. These will change as the projects evolve.

8.3   For each individual contract deemed Medium to High risk, specific risk logs and actions are monitored as part of the contract monitoring process. These will change as the projects evolve.

8.4   For each individual Service Area, risks and actions are monitored with formal reviews taking place every 6 months.

9   RISK IMPLICATIONS

9.1   Management of risk is fundamental to the sound operation of the Council. Failure to manage risk could have significant impact on the Council's ability to correctly define its policies and strategies or deliver against its objectives.

9.2   The implementation and operation of the Risk Management Framework will minimise risks and thus mitigate any potential strategic, operational, reputational, or regulatory consequences.

9.3   Failure to manage risk would also mean that the Council might face censure by its External Auditors, or the potential for legal proceedings in the event of breaches of the Health and Safety at Work Act or similar legislation.

10   RESOURCE IMPLICATIONS

10.1   All risk management activity is undertaken within existing planned budgets.

11   LEGAL IMPLICATIONS

11.1   The Council's Risk Management Policy and Framework will assist in meeting any specific and general legislative requirements to monitor and manage its risks.

11.2   No new formal delegations are created by the Policy and Framework.

12   EQUALITY AND DIVERSITY IMPLICATIONS

12.1   None.

13   RECOMMENDATION

13.1   It is proposed that the Committee **RESOLVES**

That the content of the Corporate Risk Register for 2021/2022 be noted.

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Background Papers: -

None.

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If you would like this report in large print, Braille or another language please contact 01702 318111.

Corporate Risk Register 2021/22

Risk Assessment Options:

Quality of controls

Poor	indicates no controls in place or the few that are do not mitigate the risk.
Fair	indicates that some controls in place and some reduction in risk but still not adequate.
Good	indicates that controls in place are considered adequate and reduce the risk.
Excellent	indicates that effective controls are in place that reduces the risk considerably.

Review Frequency Options:

- Risks should be reviewed regularly (typically quarterly) by the Leadership Team and relevant service areas.

- Risk analyses should be updated accordingly with the full Risk Register revised at least bi-annually.

Rochford
District Council

Part 1: Corporate Risks Dashboard

Corporate Risks		Potential Impacts												Residual Likelihood	Residual Impact	Residual Risk
	Safeguarding	Reputational Damage	Service Disruption	Impaired Performance	Ineffective partnerships	Health and Safety	Staff Morale	Missed Opportunities	Financial costs / losses	Asset loss or damage	Contract breaches	Ineffective leadership	External Intervention	Residual Likelihood	Residual Impact	Residual Risk
1 – We fail to deliver the objectives of the Council's Business Plan in terms of measurable outcomes.		✓	✓	✓			✓	✓	✓			✓	✓	2	3	M
2 – There is a failure to safeguard children and adults with care and support needs from abuse and / or neglect in line with the Council's legal responsibilities.	✓	✓					✓						✓	2	4	M
3a – There is a serious Food, Environmental or other incident for which the Council is culpable / liable.		✓	✓						✓	✓			✓	2	4	M
3b – There is a serious Health and Safety incident for which the Council is culpable / liable		✓	✓			✓			✓	✓			✓	3	4	H
4 – We fail to respond to, or provide, relevant services in the event of an incident or disaster.		✓	✓										✓	3	3	M
5 – Council held data is lost, disclosed, or misused to detriment of individuals or organisations as result of inadequate protection.		✓	✓	✓					✓		✓		✓	3	3	M
7 – Failure to engage with stakeholders to understand and communicate what the Council should be trying to achieve.		✓			✓		✓	✓	✓			✓		2	3	M
8 – Failure to innovate and develop new ways of meeting customer needs and expectations.		✓	✓	✓			✓	✓				✓	✓	2	3	M
9 – 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.		✓		✓			✓	✓	✓		✓	✓		3	4	H
10 – Inability to recruit, retain, develop, and manage appropriately skilled staff to deliver the Council's priority outcomes.	✓	✓	✓	✓			✓		✓					4	4	H
11 – Failure to enter into and manage effective contractual relationships and partnerships for the delivery of services and outcomes.		✓	✓	✓	✓						✓			3	3	M
12 – The Council could fail to provide consistent Value for Money (VFM) across its existing services or when procuring new services.		✓	✓	✓					✓		✓			2	3	M
13 – Failure to ensure good governance of the Council's activities and delivery of its priority outcomes.		✓					✓		✓	✓		✓	✓	2	3	M
14 – Failure to ensure Rochford's ICT Estate supports achievement of Business Objectives.		✓	✓	✓			✓	✓	✓			✓		4	3	M
15 – 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.		✓					✓		✓					2	4	M

Part 2: Summary of Corporate Risks

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
1 – We fail to deliver the objectives of the Council's Business Plan in terms of measurable outcomes.	Acting Managing Director	• Failure to refine strategic objectives to identify what is to be achieved • Failure to articulate realistic business delivery plans • Failure to allocate sufficient resource and manage key programmes of work effectively • Failure to manage performance effectively	• Business Plan agreed and supported by MTFS • MTFS reflects COVID-19 announcements • Key programmes of work defined • Plans identify key priorities for service delivery with COVID-19 impacts incorporated. • Budgets set for work programmes and projects • Project Plans with Progress Monitoring and Programme Office responsibilities • Project Risk Registers	Good	2	3	Med

2 – There is a failure to ensure the safeguarding of our children and adults in the district in line with the Council's legal responsibilities.	Safeguarding Lead Officer with support from the Deputy Lead Officer – Assistant Director – People and Communities	• Children or adults with care and support needs put at risk of abuse • Children or adults with care and support needs suffer harm or abuse • Staff at risk of false accusations • Reputational damage • Financial damage • External intervention in the running of the Council as a result of safeguarding incidents	• Safeguarding Policy and Procedures • DBS checks in recruitment processes • Attendance at safeguarding lead officers' network • Attendance at multi-agency South Essex Stay Safe Group • Engagement with relevant subgroups of the Safeguarding Boards • Dedicated Safeguarding Officer Project Team to achieve and maintain 90%+ compliance with the Essex Safeguarding Boards' set standards • Designated Safeguarding Link Officers across the organisation • Staff and Member training programmes • Compliance with all relevant guidance	Good	2	4	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
3a – There is a serious Food, Environmental or other incident for which the Council is culpable / liable.	Assistant Director – People and Communities	• Failures within of our Food Safety Inspection regimes give rise to serious incidents with potentially fatal or life changing consequences • Unacceptable Food Safety Return to FSA leads to service intervention • Environmental pollution or nuisance issues are not addressed • Corporate manslaughter charges	• Annual Food Safety Plan • Response procedures for Environmental Health complaints and reports • Joint enforcement plans to be established for significant problem sites with RDC planners, the HSE and / or the Environment Agency	Good	2	4	Med
3b – There is a serious Health and Safety incident for which the Council is culpable / liable.	Assistant Director – Assets and Commercial	• Failures within of our H&S regimes give rise to serious incidents with potentially fatal or life changing consequences • Internally we could fail to meet obligations under the Health & Safety at Work and Fire Safety Acts and allied Regulations • Corporate manslaughter charges	• Health & Safety Co-ordinators (HSCs) / Fire Marshals (FM's) and First Aiders in place, supported with training • Risk Assessments (for staff and contractors) and Safety Procedures • Annual Corporate Health and Safety Plan • Internal Health and Safety Assessments and Reviews	Good	3	4	High

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
			• Joint enforcement plans to be established for significant problem sites with RDC planners, the HSE and / or the Environment Agency • Health and Safety officer group • Health and Safety Officer attendance at service area meetings • COVID-19 Restoration Project				
4 – We fail to respond to, or provide, relevant services in the event of an incident or disaster.	Assistant Director – Assets and Commercial	• Loss of internal or public IT services • Loss or reduction in operational capacity • Inadequate response to civil / weather emergencies • Failure to respond to unauthorised or illegal incursions, encampments, or events	• Cloud based systems for IT and remote working established • Attendance at Essex Resilience Forum • Emergency Plans and Business Continuity Plans – regularly tested and reviewed for COVID-19 response. • Out of hours (OOH) response arrangements.	Good	3	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
			• Essex Countrywide Traveller Committee Partnership Agreement • IT incident reviews and application of lessons learned • Work conducted on joint plans with partners including COVID-19 impacts. • Review of building security				
5 – Council held data is lost, disclosed, or misused to detriment of individuals or organisations as result of inadequate protection.	Section 151 Officer (SIRO)	• Key operational, commercial, or personal data is lost, disclosed, or misused. • Increased risk of loss or disclosure when data is transferred between supply chain partners. • Residents or customers interests put at risk • Commercial or partnership relationships put at risk • Consequential damage claims	• Data Protection measures including ICT Security Policies & Procedures • Data sharing protocols • Annual review of systems and software required to ensure the necessary compliance by Government Connect Code of Connection (CoCo) • Information Security Policies	Good	3	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
		• Information Commissioner investigations or penalties • Reputational damage • Incorrect decisions made as the result of poor quality, or poorly interpreted, data • Failure to disclose appropriately where required	• Compliance with the Transparency Code • Data quality spot checks				
7 – Failure to engage with stakeholders to understand and communicate what the Council should be trying to achieve.	Strategic Director	• Council fails to adequately consult with stakeholders prior to formulating its Business Plan and other key policies • Council is unaware of stakeholder's concerns, needs or ambitions • Lack of a clear vision for the future • Lack of alignment between corporate priorities and MTFS	• Consultation programmes involve Members, Residents, Businesses, Service Users, Parishes, Partners and Staff • Communications initiatives including RDC website • Networking meetings with partners organisations and businesses • Equality and diversity impact assessments of service changes and other proposals	Good	2	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
8 – We fail to innovate and develop new ways of meeting customer needs and expectations.	Acting Managing Director	• Council fails to respond to changing circumstances or needs in a sustainable way • Services fail and / or are taken over • Ineffective use or understanding of Council asset base	• Transformation Projects including the Connect Programme • Staff involvement in cultural change e.g., "quick wins" team, staff consultation and innovation workshops, Connect Programme Training in Innovation • Project Risk Registers and Equality Impact Assessments • Communications of savings and consequences • Lessons Learned used to inform the Connect Programme and the COVID-19 Restoration project • Budget Review Workshops	Good	2	3	Med
9 – 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	Section 151 Officer	• The Council is not able to set a balanced budget in line with its statutory duties	• Robust Medium-Term Financial Strategy (MTFS) process linked	Good	3	4	High

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
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.		• The Council reserves and balance levels are unsustainable in the event of an unforeseen contingency requirement • The Council cannot deliver its business plan objectives effectively due to financial constraints • The council does not have sufficient cash flow to meet its contractual obligations • Ongoing impacts of COVID-19 on the MTFS including potential reduction in income streams and/or increased demand for services	to Business Plan objectives • Robust budgetary monitoring and control • Quarterly financial monitoring reports to the Executive supplemented with additional information, such as COVID-19 announcements, to support decision making • Communication of savings delivery and consequences to all stakeholders • Monitoring and analysis of Government funding announcements for future financial planning including COVID-19 announcements • Active treasury and cash flow management • Member budget briefings to discuss Financial Strategy and Corporate Matters				

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
			• The provision of adequate reserves and balances to manage short term budget volatility due to COVID-19				
10 – Inability to recruit, retain, develop, and manage appropriately skilled staff to deliver the Council's priority outcomes.	Strategic Director	• With expertise vested in fewer individuals, the Council is at greater risk of losing key knowledge, expertise, or skill sets • Increased vacancy rates and lost skills lead to operational pressures and ultimately to service failures • Use of temporary staff or contractors leads to additional costs and / or delays • Service failures lead to potential intervention or loss of funding	• 'Connect 'People Plan - Organisational Development Plan • Recruitment policy and procedures • Probationary periods • Induction, Training and Development plans • Performance Reviews • OHS referrals • Transformation Projects • Positive about Disabled People • Digitalised Procedure notes to be made available to appropriate officers in event of manager or other experienced officers'	Good	4	4	High

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
			• absence / non-availability • Staff Survey				
11 – Failure to enter into and manage effective contractual relationships and partnerships and contracts for the delivery of services and outcomes.	Assistant Director – People and Communities with support from all Assistant Directors with contract responsibilities	• Failure to adequately specify and agree required outcomes • Failure to manage contracts effectively • Failure of a contractor or contract arrangements • Service delivery failures • Creation of unexpected liabilities. • Increasing number or extent of supply chains require significant expertise or experience to risk manage	• Clear partnership agreements covering legal, financial, and operational arrangements • Contract procedures • Contract Terms and Conditions (including performance bonds) • Monitoring processes and meetings • Contingency and business continuity arrangements • Training for contract managers as required. • Major Contract Risk Registers	Good	3	3	Med
12 – The Council could fail to provide consistent Value for Money (VFM) across its existing services or obtain VFM when procuring new services.	Section 151 Officer	• Service costs exceed funding available leading to overspends and loss of financial control	• Sustainable Commissioning and Procurement Strategy	Good	2	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
		• Contractual commitments become unsustainable • Customer dissatisfaction with VFM	• Benchmarking, and best practice case studies • Contract Procedure Rules • Internal and external Audit reports • Expenditure monitoring and reporting to Members • Business Process Re-engineering (BPR) as required • Robust option appraisals				
13 – Failure to ensure good governance of the Council's activities and delivery of its priorities.	Assistant Director – Legal and Democratic (Monitoring Officer)	• Failure to follow procedures leads to successful appeals or legal challenges • Misuse of the Regulation of Investigatory Powers Act (RIPA) lead to prosecutions • Failure to detect and prevent fraud or to respond to rising trends of fraud • An increasing propensity for compensation claims could	• Business Plans / MTFS • Council Constitution, Financial Regulations and Contract Procedure Rules • Council, Executive and Committee, LT minutes and records of decisions • Internal Audit Programme	Good	2	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
		result in additional costs and inefficient use of resources • Failure to manage performance effectively leading to reduced service delivery • Failure to supply required data to Government, or meet the Government's Transparency Code • Government intervention in services or governance matters as a result of failures	• Performance and Risk? management Framework • Legally compliant tendering procedures • Anti-Fraud and Corruption Policy and Anti Money Laundering Procedures • Whistleblowing Policy and Procedures • Codes of Governance, Conduct and Registers of Interests • RIPA procedures				
14 – The Council could fail to ensure Rochford's ICT Estate supports achievement of Business Objectives.	Assistant Director – Transformation and Customer	• Fail to maintain an ICT Roadmap that is fit for purpose • Be unable to obtain replacement contractors at short notice with consequent and have to obtain replacement contractors charging premium prices for service recovery actions	• ICT Infrastructure Roadmap and Digital Roadmap • Project plans • Software Asset list • Budget controls • Contract Management • Programme of works identified which continues to support the	Good	4	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls	Residual Likelihood	Residual Impact	Residual Risk Rating
		• Experience adverse effects on service with consequent reputational risks • Fail to update software / hardware leading to application and service delivery failure • Fail to adequately manage ICT projects	council's transformation agenda including further development of digitally enabled services and feedback from the COVID-19 Restoration project				
15 – 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.	Assistant Director – Legal and Democratic	• Failure to process sensitive / personal data appropriately leading to potentially substantial fines • Information Commissioner investigations and / or penalties	• Compliance with relevant Policies and Procedures • Roles and Responsibility Training • 'Opt In' Consent fully detailed on all relevant paperwork. • Internal Compliance Audits	Good	2	4	Med

Impact		4 Catastrophic		Risk 2, 3a and 15	Risks 3b and 9	Risk 10		
		3 Critical		Risks 1, 7, 8, 12 and 13	Risks 4, 5 and 11	Risk 14		
		2 Marginal						
		1 Negligible						
			1 Negligible	2 Very Low	3 Low	4 Significant	5 High	6 Very High
					Likelihood			

Key	Risk level	Action required
	High	Urgent / Imperative to manage down risk – transfer or terminate
	Medium	Seek to influence risk over medium term or transfer out risk e.g. by insuring
	Low	Tolerate and Monitor – manage down if possible

Part 4 Risk Scoring

LIKELIHOOD of event occurring					
1 Negligible	**2 Very Low**	**3 Low**	**4 Significant**	**5 High**	**6 Very High**
0% to 5%	6% to 15%	16% to 30%	31% to 60%	61% to 85%	86%to100%

IMPACT of event occurring				
	Negligible – 1	**Marginal – 2**	**Critical – 3**	**Catastrophic – 4**
Financial	£0K - £10K	£10K - £200K	£200K - £1M	£1M- £10M
Service Provision	Minor service delay	Short term service delay	Service suspended / medium term delay	Service suspended long term / Statutory duties not delivered
Project	Minor delay	A few milestones missed	A major milestone missed	Project does not achieve objectives and misses majority of milestones
Health & Safety	Sticking Plaster / first-aider	Broken bones / Illness	Loss of Life / Major illness	Major loss of life / Large scale major illness
Objectives	Minor impact on objectives	Objectives of one section not met	Directorate Objectives not met	Corporate objectives not met
Morale	Mild impact on morale	Some hostile relationships and minor non cooperation	Industrial action	Mass staff leaving / Unable to attract staff
Reputation	No media attention / minor letters	Adverse Local media	Adverse National publicity	Remembered for years!
Government relations	Minor local service issues	Poor Assessment(s)	Service taken over temporarily	Service taken over permanently
Political	No interest / Minor attention	Adverse local media or individual public reaction	Adverse national publicity or organised public reaction	Major political reaction - remembered for years!
Legal	No significant legal implications	Internal review and minimal media coverage	External review and impact on public opinion.	Criminal proceedings / civil litigation
Communities	Minimal effect on communities	Short term Impact on small group of clients / customers / communities	Long term Impact on large group of clients / customers / communities	Long term impact on vulnerable people