



**Rochford District  
Council**

<b>REPORT TITLE:</b>	Risk Management update
<b>REPORT OF:</b>	Tim Willis, Interim Resources Director

## **REPORT SUMMARY**

This report updates the Audit Committee on the status of the Council's 2023/24 Strategic Risk Register.

A new template to record risks has been developed, together with a 5 x 5 risk matrix, (Appendix B). The previous risks scores have been revised to reflect this.

Following this review, the number of very high risks is two. These are Cyber Threat and the Asset Delivery Programme partnership.

Going forward risks will be presented to the Audit Committee every quarter.

## **RECOMMENDATIONS**

That the Committee notes the report.

## **SUPPORTING INFORMATION**

### **1.0 REASONS FOR RECOMMENDATIONS**

- 1.1 Effective risk management arrangements help enable the Council to achieve its corporate priorities. Risk management is the process by which officers assess the likelihood and impact of differing risks and take proportionate action/make decisions to reduce the likelihood of the risk occurring, as well as to reduce the adverse impact if it occurs. Members are asked to review and note the strategic risks and accompanying risk register.

**2.0 OTHER OPTIONS CONSIDERED**

2.1 None.

**3.0 BACKGROUND INFORMATION**

- 3.1 A risk management report and register is considered quarterly by the Corporate Leadership Team, 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, contract and project risks.
- 3.2 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.
- 3.3 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 16 November 2022.
- 3.4 Very high risks:
- Risk 18 (Cyber Threat). A recent extensive cyber audit provided moderate assurance. An action plan has now been put in place to address and reduce the risk.
  - Risk 17 (Asset Delivery Programme partnership). The changing economic environment and a review of the Council's strategic approach to its assets may have an impact on the partnership.
- 3.5 Change to risk scores:
- Risk 4 (Health & Safety Incident). This risk has reduced from very high to medium, following the development of a new Health & Safety policy and strategy.
  - Risk 17 score has also changed, from medium to very high, and is referred to in 3.4 above.
- 3.6 New/removed risks. There are no risks this quarter that have been removed. Cyber Threat (Risk 18) is a new risk and is referred to in 3.4 above.

**4.0 FINANCIAL IMPLICATIONS**

- 4.1 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.

**5.0 LEGAL IMPLICATIONS**

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

**6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 None.

**7.0 RELEVANT RISKS**

7.1 The report itself is in relation to strategic risks.

**8.0 ENGAGEMENT/CONSULTATION**

8.1 None.

**9.0 EQUALITY IMPLICATIONS**

9.1 None.

**10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 Economic implications are contained within the report and identified in risk registers.

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**APPENDICES**

Appendix A: Strategic Risk Register

Appendix B: Risk ranking table

**BACKGROUND PAPERS**

Insurance and Risk Management Strategy

APPENDIX A: ROCHFORD DISTRICT COUNCIL STRATEGIC RISK REGISTER

Risk No.	Risk Owner	Corporate Objective	Risk	Risk Category	Controls and Mitigations	Out of 5 Previous Score			Out of 5 Current Score May 2023			Further Planned Actions
						L	I	S	L	I	S	
Risk 1	Chief Executive for Rochford DC and Brentwood BC		We fail to deliver the objectives of the Council's Business Plan in terms of measurable outcomes.	Reputation  Effects on Service  People	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	2	3	MEDIUM	2	3	MEDIUM	
Risk 2	Director Communities and 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.	People  Reputation  Legal/Compliance	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)	2	3	MEDIUM				
Risk 3	Director Communities and Health		There is a serious Food, Environmental or other incident for which the Council is culpable / liable.	Reputation Effects on Service Financial & Resources	Premises inspections and actions under Annual Food Safety Service Plan Procedures for response to Food and Environmental complaints and reports	2	4	MEDIUM				
Risk 4	Director Assets and Investments		There is a serious Health and Safety incident for which the Council is culpable / liable.	Reputation Effects on Service Legal/Compliance	Health & Safety Co-ordinators (HSCs) / Fire Marshals (FM) and First Aiders in place Risk Assessments (for staff and contractors) and Safety Procedures Regular Corporate Health and Safety Assessment Health and Safety Policy – Annual Review Improvements to building security for RDC offices. Contract Monitoring to review Health and Safety Compliance of Contractors, Partners and/or anyone working for/on behalf of Rochford District Council.	3	5	VERY HIGH	2	4	MEDIUM	The Council has worked under the OneTeam partnership to deliver a new Health and Safety Policy and strategy. This sets out clear direction for all officers of the Council to follow. The Policy will be endorsed at an Executive Meeting. Quarterly H&S meetings have been arranged to report on H&S performance of the organisaion and the aim is to be preventative rather than reactive. A programme of training is being developed to ensure Health and Safety responsibility is owned by the authority.
Risk 5	Director Communities and Health		We fail to respond to, or provide, relevant services in the event of an incident or disaster	People Reputation Effects on Service	Cloud based systems for IT and remote working established Attendance at Essex Resilience Forum Emergency Plans – regularly tested and reviewed Business Continuity Plans – regularly tested and reviewed Out of hours (OOH) response arrangements Prepare staff to assist in emergencies Essex Countrywide Traveller Committee Partnership Agreement Review of building security	3	3	MEDIUM				

Risk 6	Director Resources / Section 151 Officer (SIRO)		Council held data is lost, disclosed, or misused to detriment of individuals or organisations as result of inadequate protection	Reputation	Data Protection measures including ICT and Information Security Policies & Procedures Data sharing protocols are in place where information is shared between parties	3	3	MEDIUM	3	3	MEDIUM	
				Effects on Service	Annual review of systems and software required to ensure the necessary compliance by Government Connect Code of Connection (CoCo) (or necessary compliance levels?) Freedom of information (FOI) and Subject Access Request (SAR) procedures are in place.							
				Financial & Resources	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.							
Risk 7	Director Customer and Data Insights		Failure to engage with stakeholders to understand and communicate what the Council should be trying to achieve	Reputation	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	2	4	MEDIUM	2	4	MEDIUM	The Council have reviewed the Communoications Team strucutre and are putting in place a new structure across Rochford and Brentwood that will deliver strategically and in modern methods to ensure the Council gets its messages across to stakeholders  We have invested in a Granicus system called Engagement HQ. This is being rolled out by July 2023 and will enable services and the Council as a whole to undertake Poll's, consultation and other forms of engagement. This programme will make it easier to engage with stakeholders.
				People								
				Financial & Resources								
Risk 8	Chief Executive for Rochford DC and Brentwood BC		We fail to innovate and develop new ways of meeting customer needs and expectations.	Reputation	Monitoring of Government announcements on public spending levels Staff involvement in cultural change e.g., Key Change Champions, staff consultation and innovation workshops, Connect Programme and #OneTeam Project Team.	2	4	MEDIUM	2	4	MEDIUM	
				Effects on Service	#One Team is now the new Transformation Programme for both organisations. "Connect" Programme Rochford's transformation programme #One Team is now the new Transformation Programme for both organisations.							
				Legal/Compliance	Communications of savings and consequences to Members staff residents and clients/service users Equality Impact Assessments Budgetary controls Customer Feedback							
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.	Reputation	Robust budgetary monitoring & control is exercised by regular reporting and challenge with budget holders. Quarterly budget monitoring reports are presented to committee.	3	4	HIGH	2	5	HIGH	A review of reserves brought forward in light of 2022/23 outturn, as well as the 2023/24 budget position, will inform the ability to resource any changed corporate priorities in light of the change in Administration.
				Effects on Service	Policy ideas and savings proposals are communicated with stakeholders via the appropriate forums, including the budget survey and Member briefings. The Medium Term Financial Strategy reflects corporate priorities, in the context of Government funding announcements for future financial planning.							
				Financial & Resources	Active treasury management and cash flow management ensure cash is managed with a view to security, liquidity and yield. Adequate reserves and balances are maintained to manage short term budget volatility as well as long term financial planning.							
				Legal/Compliance	People Plan - Organisational Development Plan Recruitment policy and procedures Probationary periods							

Risk 10	Chief Executive for Rochford DC and Brentwood BC		Inability to recruit, retain, develop, and manage appropriately skilled staff to deliver the Council's priority outcomes	Reputation	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	3	4	HIGH	3	4	HIGH	
				Effects on Service								
Risk 11	Director Communities and Health and all Assistant Directors with contract responsibilities		Failure to enter into and manage effective contractual relationships and partnerships for the delivery of services and outcomes.	Reputation	Clear partnership agreements covering legal, financial, and operational arrangements Sustainable Commissioning and Procurement Strategy Contract Procedure Rules							
				Effects on Service	Specific Contract procedures to prevent risk of challenge to the council and ensure compliance with regulations and relevant law Specific risk analysis for each major contract Contract Terms and Conditions (including Performance Bonds) to prevent risk of challenge to the council and ensure contractor compliance	2	4	MEDIUM				
				Financial & Resources	Purchase Order / Quotation Terms and Conditions Clear specification of contract requirements Clear specification of tender award and bid marking criteria Monitoring processes and meetings Equality and diversity impact assessments of contract or partnership proposals							
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	Reputation	Value for money is ensured through the Sustainable Commissioning and Procurement Strategy Contract Procedure Rules (CPR) and Purchase ordering rules.							
				Effects on Service	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.	2	4	MEDIUM	2	4	MEDIUM	
				Financial & Resources	Internal Audit Reports consider value for money as part of most audits.							
Risk 13	Director People and Governance (Monitoring Officer)		Failure to ensure good governance of the Council's activities and delivery of its priorities.	Reputation	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							
				Financial & Resources	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	2	4	MEDIUM	2	4	MEDIUM	
				People	Project Plans, business cases and risk registers for each project Performance management system and reports Consultation documents and responses to consultation Community Right to Challenge process Regulation of investigatory Powers Act (RIPA) monitoring procedures and reports Compliance with new and updated legislation expected of Local Government							The Council has resolved to move to a committee style of governance from May 2024. The Constitution Working Group will consider the committee structure and terms of reference alongside the Monitoring Officer to ensure that the governance arrangements are sound.



Risk 14	Director Customer and Data Insight		Rochford's ICT Estate does not fully support the achievement of the Business Objectives	Reputation	ICT Infrastructure Roadmap Digital Roadmap Contract and Performance Monitoring processes Lead Officer responsible for ICT Software and Hardware fully understood and managed by key officer(s) within RDC	2	4	MEDIUM	2	4	MEDIUM	Joint Service Desk with Brentwood BC due to go live 1st June. This will allow oversight of IT support cases to be shared between RDC and BBC.
				Effects on Service	ICT decisions consider council wide issues and support RDC service delivery ICT assets are prioritised based on core functions and maintained Physical security of ICT assets protected Cyber Security controls in place Data loss controls (including Records and Retentions Policy Information Management Policy)							
				Financial & Resources	Defined procedures in the event of the loss of access Supporting ICT policies and procedures in place Onsite and remote support procedures Partnership with Brentwood BC to provide additional skills and resilience External parties engaged to provide specialist services i.e. Cloud infrastructure, security							
Risk 15	Director People and 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.	Reputation	Relevant Policies and Procedures Roles and Responsibility Training 'Opt In' Consent fully detailed on all relevant paperwork. Internal Compliance Audits	2	4	MEDIUM	2	4	MEDIUM	
				Financial & Resources								
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.	Reputation	Programme appropriately resourced to delivery outcomes Effective governance and monitoring in place Programme delivered within resource skill set Cross Council/services working produces successful delivery of programme Engaged key stakeholders with understanding of the programme, its goals/achievements and good working relationships with external partners at an operational and strategic level Personal/sensitive data appropriately between both Councils Managed change in Senior Responsible Officer (SRO)	2	4	MEDIUM	2	4	MEDIUM	
				Effects on Service								
				Financial & Resources								
Risk 17	Director Assets and Investments		The Asset Delivery Programme partnership fails to bring about the project benefits.	Reputation	Programme appropriately resourced to deliver outcomes Effective governance and monitoring in place Programme delivered within resource skill set Engaged key stakeholders with understanding of the programme, its goals/achievements and good working relationships with external partners at an operational and strategic level Agreed programme review points Managed change in Senior Responsible Officer (SRO) Managed response to partner withdrawing from partnership	2	4	MEDIUM	3	5	VERY HIGH	Since entering the partnership the economic background has changed dramatically. The world wide pandemic and cost of living crisis has catapulted construction costs. The industry sector finds some construction schemes not financially viable. In addition the ways of working as an organisation have changed. The Council needs to revisit each asset under the partnership and determine still what the best use is for that asset. The Council is currently relooking at the original business case and looking at each asset base from an independent view. Any changes to the original partnership may have financial implications.
				Effects on Service								
				People								
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.	Effects on Service	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.	3	5	VERY HIGH	3	5	VERY HIGH	Action plan in response to cyber audit recommendations is in place.  Backup Storage solutions will be in place by Q4 in order to protect and segregate the council's data from MS Azure & internal network.  Adopting & implementing best practice measures as advised by NCSC & EDP.  Quarterly phishing campaigns and Cyber Roadshows run to educate staff
				Financial & Resources								
				Reputation	Most recent extensive cyber audit provided moderate assurance.							

## Risk Ranking Table

The Council has introduced a best practice five stage approach to Risk Management.

<b>Likelihood</b>	(5) Definite/very high	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	(4) Very likely	Low (4)	Medium (8)	High (12)	Very High (16)	Very High (20)
	(3) Likely	Low (3)	Medium (6)	Medium (9)	High (12)	Very High (15)
	(2) Unlikely	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
	(1) Highly unlikely	Low (1)	Low (2)	Low (3)	Medium (4)	Medium (5)
		Negligible (1)	Minor (2)	Moderate (3)	Significant (4)	Major (5)
		<b>Impact</b>				

Likelihood x Impact = Risk Score

Level of Risk	Level of Concern	Recommended review pattern
Very High 15-25	Very concerned	1-2 months
High Risk 10-15	Concerned	2-3 months
Medium Risk 4-10	Quite Concerned Risk can be tolerated at this time	3-4 months
Low Risk 1-5	Not concerned Risk accepted at this time	4-6 months

Score	Likelihood	Description
1	Highly Unlikely/ rarely happens	5% likely to happen or hasn't happened within the last 5 years
2	Unlikely/moderate	20% likely to happen or has happened once or twice in the last 5 years
3	Likely/possible	50% likely to happen or has happened once or twice in the last 24 months
4	Very likely/high	75% likely to happen or has happened at least once or twice in the last 12 months
5	Definite/very high	99% likely to happen or has happened on a regular basis over the last 12 months



Score	Impact	Effect on Service	Financial & Resources	Reputation	Legal	People	Effect on project objectives
1	Negligible	<ul style="list-style-type: none"> <li>Small impact on customer service which may result in complaints</li> <li>Nuisance</li> </ul>	<ul style="list-style-type: none"> <li>Small financial loss; less than £10K</li> <li>Negligible property damage</li> </ul>	No adverse effect on perception	No legal implication	No injury	<ul style="list-style-type: none"> <li>Minimal impact to project</li> <li>Minor slippage</li> </ul>
2	Minor	<ul style="list-style-type: none"> <li>Small setback</li> <li>Disruptive impact on service</li> <li>Localised disgruntlement</li> </ul>	<ul style="list-style-type: none"> <li>Noticeable financial loss; £10-£100K</li> <li>Slight damage to one property</li> </ul>	Minimal effect to perception (e.g. minor criticism of the Council)	Breach of statutory process, duty or law resulting in possibility of legal action	Minor Injury	<ul style="list-style-type: none"> <li>Adverse effect to project.</li> <li>Slippage requires review finances / short term programme</li> </ul>
3	Moderate	<ul style="list-style-type: none"> <li>Widespread disgruntlement</li> <li>Disrupted service delivery from one service area for up to 3 days</li> <li>Can handle but with difficulty</li> </ul>	<ul style="list-style-type: none"> <li>Moderate financial loss £100-300K</li> <li>Inability to deliver popular policies due to budgetary constrictions</li> <li>Substantial damage to one part of a building</li> </ul>	Negative effect on perception, e.g. <ul style="list-style-type: none"> <li>Criticism of the council</li> <li>Local bad press</li> </ul>	Breach of major statutory duty or law resulting in probably legal action	RIDDOR (Reporting of Injuries, Diseases & Dangerous Occurrences Regulations (1995) Reportable major injury to an individual	<ul style="list-style-type: none"> <li>Important impact on project or most of expected benefits.</li> <li>Considerable slippage</li> <li>Possible impact on overall finances / programme</li> </ul>
4	Significant	<ul style="list-style-type: none"> <li>Intervention in a key service</li> <li>Disruption to service delivery for one or more service areas for 3-5 days</li> <li>Failure of an operational partnership</li> </ul>	<ul style="list-style-type: none"> <li>Sizeable financial loss up to 50% of budget or between £300K-1M</li> <li>Extensive damage to a critical building or considerable damage to several properties from one source</li> </ul>	<ul style="list-style-type: none"> <li>Criticism of key process</li> <li>Large scandal</li> <li>High level of complaints at corporate level across several service areas</li> <li>Adverse national media coverage</li> </ul>	Breach of law resulting in legal action against the Council which would be difficult to defend	Reportable major injuries to several people or death of an individual	<ul style="list-style-type: none"> <li>Extreme delay</li> </ul>

Score	Impact	Effect of Service	Financial & Resources	Reputation	Legal	People	Effect on project objectives
5	Major	<ul style="list-style-type: none"> <li>• Complete breakdown in service delivery with severe, prolonged impact on customer service affecting the whole organisation</li> <li>• Failure of a strategic partnership</li> </ul>	<ul style="list-style-type: none"> <li>• A substantial failure in accountability or integrity</li> <li>• A large financial loss over 50% of budget or greater than £1M</li> <li>• Total loss of a critical building</li> </ul>	<ul style="list-style-type: none"> <li>• A vote of no confidence in one service area</li> <li>• Officer(s) &amp;/or Members forced to resign &amp;/or Audit Commission enquiry</li> <li>• Substantial adverse &amp; persistent national media coverage</li> </ul>	Breach of law resulting in legal action against the Council which would be very difficult / impossible to defend	Death of several people	<ul style="list-style-type: none"> <li>• Complete failure of project</li> </ul>