

# WEST NORTHAMPTONSHIRE COUNCIL

## AUDIT & GOVERNANCE COMMITTEE

27<sup>TH</sup> MARCH 2024

Report Title	Risk Management Strategy and Strategic Risk Register
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### Contributors/Checkers/Approvers

DMO	Sarah Hall	19/03/2024
S151 Officer / Director	Martin Henry	15/03/2024

### List of Appendices

Appendix A – Risk Management Strategy

Appendix B – Strategic Risk Register

#### 1. Purpose of Report

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- 1.1. To allow the Committee to consider the updated Risk Management Strategy and the Strategic Risk Register, both of which were approved by Cabinet at their meeting on 12<sup>th</sup> March 2024.

#### 2. Executive Summary

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- 1.2. The Risk Management Strategy has been reviewed and updated to reflect current good practice, and the Strategic Risk Register has been comprehensively reviewed to reflect the current significant risks and threats that the Council is faced with, to make the documents more user friendly and to evaluate and present these in accordance with the guidance contained within the updated Strategy document.

### **3. Recommendations**

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- 3.1 It is recommended that the Audit & Governance Committee considers the updated Risk Management Strategy, and the Strategic Risk Register and the mitigating actions contained within it.

### **4. Reason for Recommendations**

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- 4.1 To ensure that the Council has an effective strategy for identifying and evaluating risks and opportunities, and an up to date and comprehensive strategic risk register which identifies the most significant key risks facing the organisation and the relevant mitigating actions, which is subject to ongoing monitoring and oversight by the Audit & Governance Committee.

### **5. Report Background**

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- 5.1 The current Risk Management Strategy approved in June 2021 and a Strategic Risk Register was developed, which ELT and the Audit & Governance Committee have kept under periodic review.
- 5.2 The Strategy has been subject to review and updating to ensure it reflects current best practice and is logical and easy to understand.
- 5.3 The Strategic Risk Register has also been subject to an extensive and comprehensive review and updating process, and a new register has been developed following the processes set out in the updated Strategy.

### **6. Issues and Choices**

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- 6.1 The updated Risk Management Strategy seeks to establish a clear and logical approach to risk management that can be applied to all the Council's relevant activities, including strategic and operational risks, and programme and project risks.
- 6.2 It also recognises that as well as identifying and mitigating threats, good risk management also includes the identification and consideration of potential opportunities, and it seeks to adopt a consistent Council-wide approach, including an approach for establishing a 'risk appetite' (which may vary according to the type of threat or opportunity being considered).
- 6.3 The Strategy specifies that risks should be assessed based on likelihood and impact both at gross (or inherent) risk level (ie. before any mitigating actions or factors are considered, and again at met risk level (ie. taking into account any mitigations).
- 6.4 A 'traffic light' scoring approach is then be used to categorise gross and net risks scores into high (red), medium (amber) and low (green) categories.
- 6.5 The Strategy also sets out the risk management responsibilities of relevant parties, including Cabinet, Audit & Governance Committee, senior managers, and other officers and groups.

6.6 The Strategic Risk Register has been compiled following consultation with senior managers and includes 15 high-level significant risks that have been identified which could impact on the Council’s abilities to achieve its key corporate objectives.

6.7 The strategic risks are set out in detail in the register, together with mitigating actions, and are summarised below:

Ref.	Summary	Gross Risk	Current Net Risk	Target Net Risk	Risk Owner	Cabinet Portfolio
SR01	Data management (including Cyber Security)	20	12	6	Chief Information Officer	HR & Corporate Services
SR02	NPH residential – change in regulations	12	9	9	Director of Communities & Opportunities	Housing, Culture & Leisure
SR03	Cost of living impact – increased demand for services	16	16	12	Executive Director of People	Adult Care, Wellbeing & Health Integration
SR04	Availability of affordable rented accommodation	20	9	9	Director of Communities & Opportunities	Housing, Culture & Leisure
SR05	Health and safety of WNC properties	16	12	9	Executive Director of Corporate Services and Executive Director Place	HR & Corporate Services
SR06	Inability to recruit, and therefore deliver	16	9	8	Assistant Director HR	HR & Corporate Services
SR07	Change of policy and strategic direction	16	12	12	Chief Executive	Strategy (Leader)
SR08	Inter authority agreements	20	16	8	Director of Legal & Democratic Services	Finance
SR09	NCT relationship management (WNC / NNC/ NCT)	16	6	4	Director of Childrens Services	Children, Families & Education
SR10	NCT financial pressures	25	20	9	Director of Childrens Services	Children, Families & Education
SR11	Strategic communications and reputational risk	16	9	9	Assistant Chief Executive	Strategy (Leader)

SR12	RAAC (reinforced aerated autoclaved concrete)	25	9	1	Director of Childrens Services	Children, Families & Education
SR13	Cladding	15	9	1	Director for Communities & Opportunities	Housing, Culture & Leisure
SR14	Financial sustainability	20	10	10	Executive Director - Finance	Finance
SR15	Disaggregation and other disputes	20	12	8	Executive Director - Finance	Finance

## 7. Implications (including financial implications)

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### 7.1 Resources and Financial

7.1.1 The strategic risk register considers a range of issues, including finance and resources, which could impact on the operations of the Council.

### 7.2 Legal

7.2.1 There are no specific legal implications arising from the proposal.

### 7.3 Risk

7.3.1 There are no significant risks arising from the proposed recommendations in this report. If approved, the Strategic Risk Register will replace the current document, and therefore will be taken account of in future Cabinet and Committee reports, where relevant.

### 7.4 Consultation

7.4.1 Senior management has been engaged on the updated Risk Management Strategy and Strategic Risk Register and it has also been endorsed by the Executive Leadership Team.

### 7.5 Climate Impact

7.5.1 Any implications relating to climate impact are considered as part of the development of the risk strategy

### 7.6 Community Impact

7.6.1 Any implications relating to climate impact are considered as part of the development of the risk strategy.

### 7.7 Communications

7.7.1 The Strategy and the Strategic Risk Register will be made available on the intranet.

## **8. Background Papers**

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8.1 None.