

**Subject: Corporate Risk Register**

**Report to: Audit and Risk Committee, 15 February 2021**

**Report by: Kaye Bate, Corporate Risk Officer**



## **SUBJECT MATTER/RECOMMENDATIONS**

This report asks the Audit and Risk Committee to review the Corporate Risk Register to determine whether the register correctly reflect the risks affecting the Authority and to approve the revised layout of the Corporate Risk Register.

### **1. INTRODUCTION / BACKGROUND**

- 1.1 The Audit and Risk Committee is responsible for monitoring the arrangements in place for the identification, monitoring and management of strategic and operational risk.
- 1.2 The Audit and Risk Committee last reviewed the register on 2 March 2020.
- 1.3 This report informs the Audit and Risk Committee of the current corporate risk position.

### **2. Corporate Risk Register**

- 2.1 The Corporate Risk Register was last reviewed by Management Team in December 2020.
- 2.2 The Corporate Risk Register was due for review by the Audit and Risk Committee in June 2020 and December 2020. However due to the current COVID 19 pandemic the review was postponed due to the national lockdown and the requirement for officers to be re-deployed to assist with the national emergency and community response.
- 2.3 The risk matrix below shows how the risks identified in the Corporate Risk Register are distributed. There are currently 23 risks included on the Corporate Risk Register. The risks considered to be outside the Councils risk appetite have action plans in place to mitigate or reduce the risk. The risks that fall within the risk appetite or acceptable have action plans in place to reduce the risk further.
- 2.4 Since presenting the Corporate Risk Register to the Audit and Risk Committee in March 2020 there has been:

2 new risk added to the register:

12b - Resilience and capacity of staff

23 – COVID 19 - Impact of response and recovery actions on the residents and businesses of the Borough

The risk rating for six risks have reduced due to the implementation of the action plan and further control measures in place:

6b – GDPR impact on Payment Card Industry data security standards PCIDSS

8a – Data Quality

9 - Event Management - for large scale events held in the borough by a third party

10a – Business Continuity

17 - 5 Year Housing Land Supply and timescale Local Plan can be delivered

20 – Tree and Land Management

#### RISK MATRIX

Likelihood	5		10b Business Continuity – Brexit – Impact of a failure to conclude a post Brexit EU trade deal	1 – Reduction in financial resources 2 – Reduced spending in Great Yarmouth	23 - COVID 19 - Impact of response and recovery actions on the residents and businesses of the Borough
	4	19 – Change Management	18b – Sufficient resources and resilience to ensure effective contract management 20 – Tree and Land Management	5 - Local/National Economy 8b – Cyber Security 22 – IT systems capability and interaction	3 - Flooding 4 – Flood defence and coastal protection
	3		6a – Compliance with General Data Protection Regulations (GDPR) 7 - Information Security 8a - Data quality 11 – Management of Major Projects 16 - Infrastructure not being able to meet demand 17 - No 5-year Local Plan and timescale Local Plan can be delivered 18a – Sufficient resources and resilience to ensure effective procurement	12a – Reliance on key individuals and capacity of teams 12b - Resilience and capacity of staff 13 – Unforeseen changes in government policies 14 - Delivery of long term strategic objectives 21 – Loss of Reputation	
	2		17 - Business improvement in the major leisure facilities under delivers	6b – GDPR impact on Payment Card Industry data security standards PCIDSS 9 - Event Management – for large scale events held in the Borough 10a - Business Continuity 15 - Lack of community cohesion / community tensions	
	1				
	1	2	3	4	5

#### Impact

Likelihood – 5 Very Likely, 4 Likely, 3 Fairly Likely, 2 Unlikely, 1 Very unlikely

Impact – 5 Severe, 4 Significant, 3 Moderate, 2 Minor, 1 Negligible

<b>Risk Rating Actions:</b>	
<b>Very High</b> 20 - 25	Risk outside risk appetite. Action required to reduce rating to an acceptable level
<b>High</b> 10 - 16	Risk outside risk appetite. Action required to maintain or reduce rating.
<b>Medium</b> 5 - 9	Acceptable with some mitigating and contingency planning. Routine reviews should be carried out to ensure there is no change which makes them more severe
<b>Very Low</b> 1 - 4	Within risk appetite but kept under review. No further action required unless risk become more severe

2.5 The Corporate Risk Officer will present the Corporate Risk Register after its next review by Management Team in six months.

### **3. FINANCIAL IMPLCATIONS**

3.1 See attached Corporate Risk Register.

### **4. RISK IMPLICATIONS**

4.1 See attached Corporate Risk Register.

### **5. CONCLUSIONS**

5.1 The Corporate Risk Register currently reflects the risks affecting the Authority and where applicable action plans have been put in place to reduce the current scores and risk affecting the Authority.

<b>Area for consideration</b>	<b>Comment</b>
Monitoring Officer Consultation	No
Section 151 Officer Consultation	No
Existing Council Policies	No
Financial Implications within existing budgets	No
Legal Implications (including human rights)	No
Risk Implications	See attached report
Equality Issues/EQIA assessment	No
Details contained in strategy	
Crime & Disorder	No
Every Child Matters	No

## CORPORATE RISK REGISTER

Last Review:	ELT Dec 2020	A & R March 2020
Review Date:	Feb-21	
Review By:	A & R	

Impact and Likelihood Matrix Explanation	
Risks are rated by two factors:	
<b>IMPACT</b>	- the impact to the business of the identified risk should it be realised
<b>LIKELIHOOD</b>	- the likelihood that a risk will become a business issue

### Risk Rating Actions:

Very High 20 - 25	Risk outside risk appetite. Action required to reduce rating to an acceptable level
High 10 - 16	Risk outside risk appetite. Action required to maintain or reduce rating.
Medium 5 - 9	Acceptable with some mitigating and contingency planning. Routine reviews should be carried out to ensure there is no change which makes them more severe
Very Low 1 - 4	Within risk appetite but kept under review. No further action required unless risk become more severe

		IMPACT OF RISK					
		1	2	3	4	5	
		Negligible	Minor	Moderate	Significant	Severe	
LIKELIHOOD OF RISK	5	Very Likely	Medium 5	High 10	High 15	Very High 20	Very High 25
	4	Likely	Very Low 4	Medium 8	High 12	High 16	Very High 20
	3	Fairly Likely	Very Low 3	Medium 6	Medium 9	High 12	High 15
	2	Unlikely	Very Low 2	Very Low 4	Medium 6	Medium 8	High 10
	1	Very Unlikely	Very Low 1	Very Low 2	Very Low 3	Very Low 4	Medium 5

DIRECTION OF TRAVEL	
↔	No change to current risk rating
←	Current risk rating has reduced
→	Current risk rating has increased

Risk ID No	Risk	Risk Owner	Description of Risk	Impacts	Action Plan	Current Rating			
						Likelihood	Impact	Risk Rating	Direction of Travel
1	Reduction in financial resources	ELT	Major unplanned financial liability Loss of external funding Significant reduction in Central Government funding Reduced income from Joint Ventures Reduced income from recycling credits Business Rates Retention	Unfunded activity / funding opportunities Changes to existing income streams Resources diverted from services Services have to be reduced Recyclable tonnage income / fail to get good rates for product Lack of market for recyclates Removal or changes to recycling credits Increased funding to support NEWS and MRF Alternative market if Norse pull out Inability to deliver strategic objective	Medium Term Financial Strategy Business Strategy Monitoring and scrutiny of all JV operations Working with Partners to maintain arrangements Flexible Working Member of the Norfolk Waste Partnership (NWP) Profit and material share agreement Four year financial settlement Member workshops as part of budget preparations	5	4	20	Very High ↔

2	Reduced spending in Great Yarmouth	ELT	Reduction in spending / budget decisions of partner organisations  Consultation around spending reduction Housing related support cuts Devolution	Unfunded activity / funding opportunities  Resources diverted from services Services have to be reduced / withdrawn Inability to deliver strategic objectives Increased demand placed on borough council services Unmet demand	Working with partners to redesign and streamline service delivery / share resources  Working together to build capacity of communities Understanding and responding to proposals	5	4	20	Very High  ↔
3	Flooding	Head of Environmental Services & Head of Property & Asset Management &  Director of Planning & Growth	Flood event  Failure of flood barriers  Surface water flooding	Disruption of commercial activity  Health and safety issues  Inability to deliver services	Emergency Response Plan / Recovery Plan  Business Continuity Plan  Surface Water Management Plan  Local Plan Part 2 - emerging policy re: new development and flood risk	4	5	20	Very High  ↔
4	Flood defence and coastal protection	Head of Environmental Services & Head of Property & Asset Management & Director of Planning & Growth	Failure of flood and coastal defences  Sea Level Rise   Extending the length of river frontage for which the Council have responsibility – current proposal of de-maining by the Environment Agency   Significant erosion of cliffs during storm	Impact on economy and increased business development for the Borough Reducing economic potential for the area  Impact on infrastructure across the borough  Health and Safety Loss of property  Loss of environmental asset  Lack of resources to fund maintenance on watercourses transferred from EA control Resources and financial implications to council for clear up	Working with businesses to improve awareness  Long term plan to review, repair and renew flood defences  Facilitation of community groups to work with coastal areas in relation to adaptations  Tidal Defences Business Partnership established and econmic business case developed Local Plan Part 2 - addresses relocation schemes & future development   Long term plan to review, repair and renew flood defences – engaging with Coastal Partnership East and the Environment Agency	4	5	20	Very High  ↔
5	Local/National Economy	CEO	Downturn in national / local economy  Issue of Welfare Reform National Policy - changes on benefit	Increased workload for Council staff (Benefits/Economic development/ homelessness) Increase in bad debts Major projects put on hold Downturn in housing market Inability to meet requirements of capital programme Uncertainty lead to a downturn in economy	Strong local economy  Corporate planning Monitoring basket of key indicators  Communications Strategy Great Yarmouth Economic Growth Strategy review	4	4	16	High  ↔
6a	Compliance with UK General Data Protection Regulations (UK GDPR)	HoS / Senior Performance & Data Protection Officer /  Corporate Services Manager	Data breaches of personal information  Staff not completing their Data Protection training Some computer systems are not compliant with the new regulations regarding data deletion	All staff must comply with the new regulations from 25th May 2018. Data Protection Policy, Data Protection Impact Assessment Policy & Record Management Policy must be reviewed annually and updated where necessary. All requests for information must contain a Privacy Notice or a link to a Privacy Notice on our website  Fines and costs Reputational damage / bad publicity resulting from Data Breaches	Publication Data Protection Policy and creation of Records Management Policy, Data Impact Assessment Policy and Breach Notification Procedure   GDPR training provided to all staff and will be repeated annually. GDPR training also forms part of new starter induction Procurement process has begun to replace or upgrade the non compliant computer systems. As part of this data records will be reviewed and those outside of their retention securely deleted	3	3	9	Medium  ↔

			Records outside of their retention are retained at various offsite locations  Capacity to undertake data cleansing and deletion.	Insurance claims	A Methodical review of offsite records has commenced, this is being carried out in a controlled manner with the support and oversight of the Data Protection Officer. Work in this area has had to be paused due to the COVID-19 pandemic, which has led to a 1/3 of the Council's staff including the Data Protection Officer being redeployed to work as part of a coordinated response assisting the most vulnerable residents of the Borough. It was hoped that work could recommence from September 2020 however with current social distancing guidelines and protecting the health of Council staff being paramount this will not be possible. A review of the situation will be undertaken in March 2021 when it is hoped the situation will have improved to allow this work to recommence.				
6b	UK GDPR impact on Payment Card Industry data security standards - PCIDSS	Head of Customer Services	Non compliance with regulations and security breaches  Non compliance with payment card transactions		Cash Management provider fully compliant  Implementation of Chip and Pin and call secure go live week 16-11-20	2	4	8	Medium ←
7	Information Security	HoS,  Corporate Services Manager &  IMT Manager	Good management, protection of information  Number of cases of lost information by public and private bodies  Need to attain criteria set by government to retain information flow with DWP (Department Works Pensions)	DWP refuse to correspond with GYBC electronically Loss of capability to handle Housing Benefits and other issues Information lost/mislaid therefore loss of reputation and potential legal claim	Security Policy and Information Security manager in post  PSN Compliant / Accepted by DWP computer security (PSN) – Annual renewal  Realisation that information includes paper, people and computer  Monthly Governance Board meetings	3	3	9	Medium ↔
8a	Data quality	HoS, IMT Manager &  Corporate Services Manager	Records not maintained accurately or securely	Inaccurate data used for decision making	IT security procedures and IT Security Policy  Data management & Data quality action plan	3	3	9	Medium ←
8b	Cyber Security	HoS, IMT Manager &  Corporate Services Manager	Data / systems hacked	Data not held securely  Loss of IT Systems and Loss of Information	IT security procedures and IT security policy  LGA Grant for Cyber Security and Cyber training  Information Technology Investment Group / Risk is a standing item Annual Cyber Security Health check undertaken by NCC  Cyber Insurance	4	4	16	High ↔
9	Event Management - for large scale events held in the borough by a third party	Head Marketing & Communications  Head of Environmental Services	Failure of event / duty of care	Cancellation / suspension of event  Major incident  Reputational damage / bad publicity	ESAG Group, ESAG website and ESAG email address  Event Management Plan, Event Guidance and Guide to Councillors  Member & Officer Groups Involvement / consultation of key officers Engagement of stakeholders Online Event Notification form and centralised mailbox	2	4	8	Medium ←
10a	Business Continuity	Head Marketing & Communications, Head of Environmental Services & IMT Manager	Loss of facilities (flooding, fire etc)  Loss of IT systems  Loss of reputation	Service delivery impaired  Inability to pay creditors/benefits  Relocation of services	Capability exists for staff to work from home and support key services  Business Impact Assessments / 3rd Party Service Agreement  The Loop - web-based programme and external provider	2	4	8	Medium ←

10b	Business Continuity - Brexit - failure to conclude a post Brexit EU trade deal	Head of Environmental Services &  Heads of Services	Loss of staff time and system functionality Loss of staff (fuel strike, industrial action etc) Loss of temporary accommodation provider	Range of providers	Insurance Information Technology Investment Group Additional resource from NCC and monthly meetings with NCC to discuss SLA	5	3	15	High
			Travel disruption  Disruption / increased demand of services	Increased costs, increased demand for services, scarcity of labour, scarcity of goods and supplies or other operational impacts which impair the Councils ability to deliver services for people within the borough  Localised freight disruption and increased usage of Peel Ports Information sharing and data sharing Community unrest Ability to recruit and retain key staff	Working closely with the local resilience forum, who are the lead agency, in respect of planning for consequences of trade deal negotiations				↔
11	Management of Major Projects	Head of Inward Investment	Failure of project or project overspend / over running	Cancellation / suspension of project  Reputational damage / bad publicity	Involvement / consultation of key officers  Project and Programme Manager and Project Team. All PMO staff Prince 2 trained  Business Case and Risk Register Suite of documents created for setting up &, delivering and monitoring projects  Guidance on how to access assistance from Project Team and relevant service areas consulted at the outset Dedicated officer to manage the risk / issue and governance of all projects going forward, which can be followed / implemented by other team members.	3	3	9	Medium
12a	Reliance on key individuals and capacity of teams	CEO	Departure of key individual  Difficulty of recruitment  Skills shortage Lack of resource to deliver Health & Safety Failure to comply with Health & Safety legislation and corporate approach not consistently applied	Skills lost  Negative impact on capacity of other staff Lack of delivery of service objectives Buying in of consultancy/temporary staff Fines and costs  Increased demand for services and scarcity of labour	BC Plan for single points of failure  Organisational Development Plan Personal reviews Succession Planning Business Strategy OD programme  New sharing and partnership arrangements for health and safety, emergency planning and coastal management to improve resilience in these key areas. Creation of Health & Safety Co-Ordinators and H & S hours provided by NCC increased	3	4	12	High
12b	Resilience and capacity of staff	Heads of Services	Staff workload levels increased due to impact of responding to Covid pandemic and maintaining business as usual.	Increased sickness absence  Reduced productivity Delays in delivery of services	Monitoring of workload of staff at service, team and individual level  Employee Support Scheme and other wellbeing support Maximisation of external funding to support service delivery Additional short term staff resource (where possible) Prioritisation of tasks Risk based approach	3	4	12	High
13	Unforeseen changes in Government policies	CEO	Insufficient focus of organisation on "bigger" picture	Loss of funding / funding opportunities  Insufficient preparation for policy changes/ new responsibilities	Business Strategy	3	4	12	High
14	Delivery of long term strategic objectives	ELT	Council focuses on the issues of the day rather than a vision for the future	Short term thinking  Difficulty in taking hard decisions	Medium Term Financial Strategy  Service Planning	3	4	12	High



			Lack of political direction for strategic objectives	Non delivery of strategic objectives	Corporate plan & Annual Action Plan  Pathway to Recovery Plan (COVID 19)  Great Yarmouth Economic Growth Strategy Local Plan Core Strategy adopted and Local Plan Part 2 emerging (to 2030)  Investment Business Strategy				↔
15	Lack of community cohesion / community tensions	Strategic Director – P Boyce	Social changes / immigration / increase in unemployment	Increased reliance on benefits  Increased homelessness  Pressure on welfare services  Issues with equality of access to services  Increased crime rates and an increase in hate crime	Reviews of and better alignment of front-line services to ensure residents get the help and support they need  Neighbourhood Managers in priority neighbourhoods involving residents and helping to find solutions and diffuse tensions Support for those with multiple and complex needs commissioned through the Neighbourhoods that Work programme & transitioning of the learning from NtWV into a 'Community Hub' operating model. Targeted work with the police and other partners to address new and emerging issues relating to housing enforcement, domestic abuse, community tensions and ASB Early help HUB and evolution to a 'Community Hub' operating model with partner organisations.	2	4	8	Medium  ↔
16	Infrastructure not being able to meet demand	Director of Planning & Growth & CEO	New development (commercial and housing)	Increased traffic congestion  Lack of services (education/health/social)  Stalling of further investment	Local Plan / Infrastructure Plan  Ongoing engagement with partner organisations for funding e.g. New Anglia LEP, Highways England, Clinical Commissioning Group, Anglian Water, Environment Agency, Norfolk CC etc Local Plan Core Strategy adopted  GY Transport & Infrastructure Steering Group established and meet regularly  Part of Norfolk Growth Group to discuss infrastructure issues across county & strategic planning framework	3	3	9	Medium  ↔
17	5 Year Housing Land Supply and timescale Local Plan can be delivered	Director of Planning & Growth	Inability to complete Local Plan process due to lack of financial/professional staff resource and involvement in other corporate projects	Failure to adopt new statutory planning policy guidance to inform planning applications and Development Control Committee  Susceptible to unplanned housing development	Additional resource in terms of professional input and/or Projects Team  Housing Growth Group established with clear Action Plan  Strategic Planning Team fully resourced	2	3	6	Medium  ←
18a	Sufficient resources and resilience to ensure effective procurement.	Finance Director	Corporate procurement approach not consistently adopted	Benefits of procurement strategy not realised  Efficiency savings not made or contract fail  Procured service not value for money  Procured service is poor	Corporate Policy Statement adopted  Engagement of Procurement Specialist and Procurement Working Group  Review of Standing Orders  Procurement Strategy Staff training  ER-procurement system live  Procurement targets built into the MTFS & new strand of work	3	3	9	Medium  ↔



18b	Sufficient resources and resilience to ensure effective contract management	Finance Director	Failure to managed contract performance and corporate approach not consistently adopted	<p>Breach of EU legislation</p> <p>Increase budgets</p> <p>Contract disputes</p> <p>Fines and costs</p>	<p>Staff training to dedicate contract management roles and guidance on Intranet</p> <p>Consistent management and publication of Contract Register</p> <p>Contract Management Strategy and standing orders</p> <p>Performance monitoring and reporting to ensure good service quality and better value for money</p> <p>VfM Confidence assessments</p> <p>Appropriate governance principals and risk management in place - Risk Register</p> <p>Dedicated contract management roles within services to improve accountability &amp; capacity for managing major contracts</p> <p>Role of contract manager defined</p> <p>Ensure compliance with legislation / regulations and Councils processes and procedures</p>	4	3	12	High	↔
19	Change Management	Head of Organisational Development	Key changes managed ineffectively	<p>Service delivery is affected during implementation</p> <p>Staff resource needed to undertake review</p> <p>Council fails to capitalise on opportunity</p> <p>Targets not achieved</p> <p>Funding is missed</p> <p>Resources wasted</p> <p>Loss of key staff &amp; staff morale</p>	<p>Business Strategy and Change Management Policy</p> <p>Application of a formal programme management framework</p> <p>Monitoring of project plan</p> <p>Ongoing assessment of the project risks</p> <p>Organisation Development Plan</p> <p>Departmental Managers Meetings</p> <p>Staff Engagement Group and programme</p>	4	2	8	Medium	↔
20	Tree and Land management	Head of Property & Asset Management & Head of Environmental Services	Failure to managed tree inspection and land management	<p>Insurance claims and increased insurance premiums</p> <p>Clarity on ownership of land across the Borough</p>	<p>A review of current inspection policy to ensure compliance with best practice</p> <p>To include all amenity land within the Concerto Asset Database to provide a comprehensive database of ownership.</p>	4	3	12	High	←
21	Loss of Reputation	ELT / Head of Marketing & Communications	<p>Lack of transparency in decision-making process</p> <p>Factually incorrect or negative media reporting</p> <p>Inability to attract investment</p>	<p>Lack of trust from residents</p> <p>Loss of confidence from investors and key partners</p> <p>Lack of sense of pride in the Place</p>	<p>Clear &amp; accurate committee reports with recorded decisions available in the public domain.</p> <p>Maintenance of a timely and effective relationship with representatives of the media/press.</p> <p>Clear communications plans in place to promote the council's Corporate Priorities &amp; also for projects.</p> <p>Transparent stakeholder engagement incl. planning and evidence-gathering.</p>	3	4	12	High	↔
22	IT systems capability and interaction	Heads of Services	Current system will no longer be supported / maintained by the IT provider. Therefore has become unfit for purpose and causing service interruptions and issues	<p>System costs are disproportionally costly based on functionality of system</p> <p>Upgrades costly</p> <p>Week in arrears - loss of possession cases due to the way information is held</p> <p>Service interruptions and issues - resource implications</p> <p>No document management - required to use two systems - increased risk of error</p> <p>Increase functionality</p> <p>Systems don't talk together</p>	<p>Aware of limitations of systems</p> <p>Procurement of new systems</p> <p>Internal processes to manage</p> <p>Using as effectively as can and aware of weaknesses</p> <p>Sub marketing testing</p>	4	4	16	High	↔

[illegible]

9

1

2

3

4

5

6

7

8

9











