

Strategic Risk Register

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#	Risk Title	Description	What is (or are the) Uncertainties	Likelihood	Financial	Service Quality	Reputation	Legal/Regulatory	Health & Safety	Morale/Staffing	July 2020 Risk	Jan 2021 Risk	Current Risk Score	Change (January 21 to Now)	Mitigating Actions / Internal Controls	Current Note (June 2021)
SH7	Delivery of waste & recycling service changes	The risk is that the contractor, FCC, lacks the capacity or ability to rectify the issues being experienced by residents at this stage resulting in further delays, increased reputational damage and overall significant frustration for our residents.	The key issue at this stage is the capacity and ability of FCC to rectify the problems being experienced at this stage. These relate to the capacity of the transfer station at Ivybridge, the round design, the fleet design and the work force management.	5	3	5	5	3	3	4	15	15	25	×	Continuous dialogue between the Council's contractor (FCC) and the Council. Action plan being monitored and South Hams staff supporting FCC on the ground. Improvement plan being considered and subject to continuous monitoring.	Implementation of waste changes has been impacted by a range of issues resulting in an unacceptable level of missed collections per week and jeopardised the roll out of the new recycling service (Devon Aligned Service) .  Major issues with the new service are being experienced at the time of the update. The Council is working with FCC (the Council's contractor) to resolve ongoing issues via an Improvement Plan.  An extraordinary meeting of the Overview and Scrutiny Committee was held on 10th June 2021 to receive an update from the Portfolio Holder for Waste and Recycling on the progress in resolving the issues.  On 17th June 2021, an Extraordinary meeting of Council was held to discuss performance and receive an Improvement Plan from FCC.  In the short term, 26,000 residents will continue to have their recycling sorted at the kerbside into the new vehicles. 11,000 residents will have their recycling collected in a different vehicle and it will be sorted at a local sorting facility. 8,000 residents will remain on the clear and blue sack system for the time being.  All residents are being asked to continue to separate their recycling following the instructions, regardless of which vehicle arrives on their collection day. The Executive Director Service Delivery has embedded a number of Council Officers within FCC to support them with rectifying the issues. The expectation is that FCC will collect recycling on the right day for all residents by the middle of July.
SH2	Adherence to Medium Term Financial Strategy	Failure to sustain a robust on-going medium term financial strategy in SHDC with adequate reserves to meet unforeseen circumstances, due to cost pressures and reduced income targets, council decisions, changes in Government policy with regard to business rates and affordable housing; Potential impact on delivering the MTFs, particularly if national/regional businesses successfully appeal against business rate valuations or litigation proceedings / legal challenges / planning appeals, etc.	Reduction in Government grant, increasing demand for services and other cost pressures and increased risks associated with localised business rates and council tax support. Additionally, income from activities may not materialise or may be reduced, e.g. a reduction in sales, fees and charges income or business rate appeals. The amount of income received can be adversely affected by a fall in collection rates due to economic downturn, the effects of the pandemic and other factors such as the bankruptcy/liquidation of large ratepayers or any sizeable rateable value reductions achieved by business rated properties in the area. The latest forecast for the Devon Business Rates Pooling gain is over £7 million for 2020-21, with the SHDC share of the pooling gain being predicted to be in the region of £225,000, which is being transferred into the Business Rates Retention Reserve (Executive 11th March 2021).	4	4	4	4	4	2	3	25	16	16	—	Robust horizon scanning to monitor changes in Government policy. SLT awareness of the risks, cautious approach to budgeting and robust systems of financial control. The Council is not intending to rely heavily on sources of income which may not be sustainable.  SLT actively participate in Government consultations, MP discussions and keep aware of changes and the response by peer group, ensuring where appropriate the learning from this is incorporated into strategic plans. SLT engaged in the development of the MTFs. An Amended Budget for 2020-21 was approved by Council in September 2020, in response to the Covid19 pandemic. The latest Medium Term Financial Strategy was approved by the Executive in October 2020.	The Council is in the process of closing its Accounts for 2020/21 and these will be published by 1st August 2021. In the Council's latest budget report for 2020/21, a small surplus of £96,000 is predicted, against the Council's total net budget of just over £9million. The Council has to be entirely independent to fund all of its services on a net budget of just over £9million, as the District Council no longer receives any main Government Grant (Revenue Support Grant). The Council has had a reduction in core Government funding of £4million per year since 2010. The Council will prepare its Medium Term Financial Strategy for the period covering 2022/23 to 2026/27 and this will be presented to the Executive at its September 2021 meeting, alongside the Budget Monitoring report for the first few months of 2021/22. The Council will continue to respond to national funding consultations and lobby alongside other Devon Councils and national organisations such as the District Councils' Network for a multi-year financial settlement, to aid long term strategic financial planning. The Fair Funding Review and the re-setting of the Business Rates baseline could be deferred from 2022/23. The Council is also awaiting further Government announcements on the New Homes Bonus funding. The Budget Gap over the next two years is likely to be in excess of £0.8million and work is already underway to address this. Much will also depend on the next Government financial settlement for 2022/23 and confirmation on funding items like Negative Revenue Support Grant, which has been assumed in the modelling to start impacting in 2022/23.
SH6	Inadequate Staffing Resource	Failure to have sufficient staffing arrangements. Loss of staff morale, and inadequate resources for training and re-skilling in an ongoing period of change. Failure to engage staff resulting in uncertainty regarding changes in working practices and job security. Particular risk in relation to future terms and conditions. Cost and time of retraining/up-skilling staff. Unrealistic expectations in relation to staffing capacity.	Performance being reviewed to understand whether resourcing levels are correct; difficult to assess accurately as organisation continues to experience change effects and processes being embedded / roll-out of new technology and working practices	4	3	3	3	2	2	4	16	16	16	—	Customer Satisfaction Survey has been initiated and staff away days undertaken to update staff and embed solutions to tackle issues raised. Mechanism in place for ELT to appoint within budget where appropriate without recourse to SLT. Apprenticeship scheme developed by HR.	The ongoing response to Covid-19 continues to impact staffing resource as we continue to:- - Process business grants - Prepare for new Restart Grants - Implement Covid-19 Secure elections - Offer support and advice to businesses on safety measures - Plan for the removal of restrictions - Plan and Implement recovery measures including development of a new Corporate Strategy  Flexibility around government funding has meant that we have been able to extend the temporary Covid marshalls to support business advice on safety measures, supporting our existing EH team resource.
SH1	Political Commitment for Change	On-going political commitment to support changes needed for ongoing financial sustainability & community resilience	Considerable external change with devolution and Governmental funding cuts; leading to uncertainty within the South West and beyond.	4	4	3	4	4	1	4	16	16	16	—	Keep Members informed and updated on central government policy relating to local government services. Provide Members with training and ongoing development. Ensure Members are fully briefed on options within the policy and budgetary framework in order to inform decisions. Ensure policy changes are brought forward in a timely way for decision making, that due process is followed and that there is appropriate consultation, information and scrutiny. Provide regular L&D briefings, group meetings and Member briefings and drop-ins.	Council have supported the development of a new Corporate Strategy which will set out a clear direction and priorities for the future. A full Member briefing was held on 17 June 2021 to set out the emerging priorities. Work now continues with Executive Members to refine the priorities with a draft strategy being considered by Executive and Council in July 2021. There will be a period of consultation on the emerging priorities commencing in July 2021 and the final strategy and detailed delivery plans will be considered by Executive and Council in September 2021.

SH8	Health and Wellbeing Service Provision	Covid-19 has a significant impact on Leisure provision given the nature of activities and hygiene requirements. The risk is that as leisure centres make adjustments to reduce the risk of Covid-19 to both staff and customers, the capacity of the centres is significantly reduced while many overheads and operating costs remain the same.	There are many uncertainties:- - When leisure centres may reopen - When they do open, what will the customer appetite be - How long any measures that reduce capacity will have to remain in place	4	4	2	2	2	4	2		16	16	16	—	- Engage with Leisure Services provider to understand issues and support where possible - Continue to monitor local and national position (given that all leisure providers will be in the same position)	All Centres are open and running activities in line with Covid-19 restrictions and as before the popular activities being Swim School, casual swimming, group exercise classes, then going to the gym. Average monthly usage for all 6 Centres is running at c35,000 whereas prior to the pandemic this would be between 52-55,000. In the first month of returning, 634 centres memberships were taken but overall numbers are at 56% at c3,800 compared to c6,700 in Feb '20. Swim School is performing very well with numbers currently at 71% compared to Feb'20. hybridge is back to its normal level. Group exercise classes occupancy is at c75% and is still affected due to space and number restrictions. GP Referrals are back but numbers are still small and other activities, schools and clubs are beginning to return. Fusion highlight that customers are upbeat and usage is going in the right direction. This will hopefully improve further when Step 4 of the lockdown eases. However in a recent APSE report the effects of the pandemic on leisure are likely to last for another 18months with social distancing and public anxiety likely to suppress centre usage for a period of time. A report to Members on Leisure is on the Executive Forward Plan for October 2021.
SH8	Covid-19 (Coronavirus) impact on services	Covid-19 (Coronavirus) will impact on the ability for the Council to deliver its services leading to a drop in operational performance and customer satisfaction. There will be additional financial implications	The situation evolves on a daily basis and there are many	4	3	4	3	3	4	4		25	20	16	✓	Incident Planning is well underway but this has already meant a significant impact on service delivery with most of the Senior and Extended Leadership now focusing on ensuring our response plans are robust. A separate risk register is monitoring the impacts of COVID-19	We continue to monitor the government roadmap in order to identify any possible impacts on council services. As restrictions are lifted, we have been able to 'stand down' our community response although there still remains a focus on provision of government grants to businesses which is causing pressure in this area of the Council.  The summer period may well see additional pressures to our localities team given the expected increase in 'staycations'. To support this activity, the Council have extended our Covid-19 compliance officers until the end of the year.
SH4	Business Continuity	Officers fail to develop robust processes to ensure business continuity in the event of a significant event occurring, e.g. Failure to ensure the continuous availability of critical IT systems	Following the event, how quickly will certain systems and processes be able to be back on-line	3	3	5	4	2	3	3		15	15	15	—	Having two HQ locations is main mitigating factor - however an outage of power/ICT at either location would lead to a serious disruption of service. Agile working further reduces reliance on two office buildings. Locality workers can be dispatched more easily to ensure customer engagement can be maintained during any incident. Business Continuity plans have been updated - priority areas - ICT Networking - Payroll & Creditors Payments; other plans need to be made more robust	Covid-19 Incident Management meetings continue to be held three times a week to monitor and respond to impacts. This has been an effective way of co-ordinating the Councils response.  The Extended Leadership Team are currently refining specific risk assessments for the unlocking of Covid-19 restrictions and this will form the basis of future Incident Management Team discussions.  A further lessons learnt session with officers has been held to review our response to the latest lockdown and restrictions with the results of that helping to shape future incident responses.
SH5	Emergency Response	There is high public expectation in relation to supporting communities during coastal erosion/storm damage/flooding events, as well as engagement in longer term recovery, in particular assumptions about capital investment to restore assets. The risk relates to how best to support dispersed communities, e.g. with filling, transporting and laying sandbags as well as providing workforce on site, given limited resources and expectations during an event.	Following the event, the expectation that coastal defences and asset repairs will be urgently undertaken despite competing claims on capital resources	3	3	4	5	3	4	4		12	15	15	—	Continued management and officer focus on this area to ensure risk is minimised as much as possible; continued close engagement work with DCC and Environment Agency to ensure all parties are aware of each others responsibilities and capacity	The Council continues to engage with the Local Resilience Forum and is keeping its emergency response plans up to date
SH9	WD Financial position affecting SH shared arrangements	South Hams operate a joint shared services (shared workforce) arrangement with West Devon Borough Council. Both Councils have different financial pressures and strategies to meet predicted financial gaps. If West Devon were unable to meet its financial obligations, this could have a significant negative impact on South Hams.	Uncertainties around the longer term financial impact of Covid19 on Councils' finances nationally. There is also a large amount of uncertainty around elements of Local Government finance such as the future of New Homes Bonus, negative Revenue Support Grant and Rural Services Delivery Grant.	2	3	3	5	3	1	3		10	10	10	—	The Officer Senior Leadership Team is the same team across both Councils, therefore giving an early warning system. Close monitoring by WDBC of all income/expenditure and horizon scanning through the MTFS process. WDBC has the same timescale for its Recovery and Renewal Plan as South Hams and Amended Budget for 2020/21 was approved at Council in September. A Cross Party Member Working Group (Financial Stability Review Group) has a defined Terms of Reference to look at the Medium Term Financial Strategy and to assess options for securing financial stability for the longer term. External audit reports for West Devon also give an independent view on WDBC's financial position and are publicly available on the agenda for the Audit Committee meetings.	On 22nd September 2020, West Devon Borough Council approved a revised (Amended) Budget for 2020/21 with measures totalling £501k being agreed by Members. The Deputy S151 Officer continues to submit monthly DELTA returns to Central Government that details the current additional expenditure and loss of income streams suffered by both Councils on a monthly basis (due to Covid19), with predictions for future months. In West Devon Borough Council's latest budget monitoring report for 2020/21, a small surplus of £23,000 is predicted, against WDBC's total net budget of just over £7million. The Council will prepare its Medium Term Financial Strategy for the period covering 2022/23 to 2026/27 and this will be presented to the Hub Committee at its September 2021 meeting, alongside the revenue budget monitoring report for the first few months of 2021/22. West Devon BC's budget gap over the next two years is likely to be in excess of £0.5million and work is already underway to address this. West Devon BC are predicted to have Earmarked Reserves of £1.9 million and Unearmarked Reserves of £1.1 million at 31.3.2021, as referenced in Appendix A to the Month 10 Revenue Budget Monitoring (Hub Committee report 16th March 2021).
SH10	Delivery of Reopening High Street Safety Scheme	The risk is that the Council does not comply with the ERDF grant funding conditions related to the Reopening the High Street Safety Fund	- Clarity of eligible expenditure that delivery partners wish to incur - Ability to demonstrate sufficient evidence to support claim									10	6	6	—	- Clear guidance related to the scheme to be provided to all Town Councils - Approval of items for payment to be made through SHDC - Where possible, expenditure will be incurred directly by SHDC to reduce the requirements for Delivery Partner Agreements and likelihood that evidence is not obtained	Following the extension of the programme, plans have been developed and submitted to MHCLG for approval. We currently await their agreement to proposed activities. To mitigate the risk that funding may not be able to be reclaimed, activities will not commence until formally agreed.
SH11	Delivery of Strategic Capital Projects	The risk is that the Council is not able to deliver on one or more of its strategic capital projects.	- The strategic projects involve a number of third parties and will be subject to external market prices for the deliverability of schemes. - Some schemes are also subject to the planning process.	3	4	2	5	3	2	2				15		- Regular project team meetings are held to monitor the progress of individual capital schemes. - Each capital project has its own governance arrangements including a detailed risk register which is reported to Members when reports on specific projects are considered. This includes a process for escalation of risks to the Programme Board and, where required, the Strategic Risk Register.	Schemes continue to be monitored in accordance with the governance arrangements set out in the mitigations column of this register.  Updates on individual schemes will be provided in accordance with the Executive Forward Plan.