

Report to: **Audit and Governance Committee**

Date: **6 July 2023**

Title: **Strategic Risk Update – June 2023**

Portfolio Area: **Cllr Julian Brazil**
Leader South Hams District Council

Wards Affected: **All**

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RECOMMENDATIONS:

That the Audit and Governance Committee:

- 1. consider the current strategic risk register; and**
- 2. note the intention for the strategic risk profile of the Council, and our adopted Risk and Opportunity Management framework to be updated alongside the development of its new Corporate Strategy.**

1. Executive summary

- 1.1 The Council currently has an adopted risk and opportunity management strategy setting out the approach to assessment of risk and those which should form part of the strategic risk register.
- 1.2 Consideration of organisational risks is a day-to-day activity for Heads of Service and managers within departments.
- 1.3 As part of its performance management framework, Council services and key projects all have individual risk registers, managed at an operational level within those services.
- 1.4 Only where a risk is deemed sufficient enough to require support and input from outside of its 'host' department is it escalated to the Strategic Risk Register.
- 1.5 This report sets out the current strategic risks as considered by the officer 'Performance Board' in June 2023. See Appendix A.

- 1.6 The report also sets out the intention to update the Risk and Opportunity Management Strategy by the Autumn 2023 alongside the development of our next corporate strategy.

2. Background

- 2.1 The Audit and Governance committee receive six-monthly updates on the Council's Strategic Risks.
- 2.2 Strategic Risks are those that are subject to significant management actions, control, evaluation or improvements and do therefore not document all risks to the Council and its services.
- 2.3 The Council's adopted Risk and Opportunity Management Strategy has been in place since 2018. While this strategy has served the Council well, it is considered that it requires an update to reflect changes to the internal governance and structures of Council services.
- 2.4 Council services and projects are now all required to maintain their own operational risk registers, highlighting any significant risks meeting the definition in 2.2 to the Performance Board (a monthly board consisting of the Director of Service Delivery, Director of Strategy & Governance, Assistant Director Strategy and Customer Improvement Manager). They assess the operating environment and key issues and consider if the current strategic risk profile is accurate.
- 2.5 The Council is also beginning to develop its next Corporate Strategy. Alongside development of the strategy, an in-depth review of risks will be undertaken along with a refresh of our Risk and Opportunity Management Strategy. This will form part of the next strategic risk update to this committee.

3. Key Changes since last update to Audit & Governance

- 3.1 Since the last update to Audit & Governance Committee in March 2023, the following changes should be noted;
- 3.2 Removal of the risk related to Cost of Living Impacts on Council Services. This risk was primarily about the ability of the Council to meet the support needs of our residents. The team have adapted well and actions within our Cost of Living response plan have been delivered. We currently consider that this risk can be managed at an operational level and overseen by the Head of Revenues and Benefits.
- 3.3 Removal of the risk related to Homes for Ukraine scheme. This risk was initially escalated to the strategic risk register in June 2022 when there was much uncertainty around how many Ukrainians would arrive through the scheme and the financial support available

for local authorities. We now have much greater certainty on these points and have appointed dedicated resources to respond to the needs of our Ukrainian guests. This risk is therefore de-escalated from the Strategic Risk Register and is now being managed at an operational level by the Head of Housing.

- 3.4 Increase in the risk related to our ability to deliver our Waste and Recycling service. This risk reduced following the in-sourcing and stabilisation of the Waste and Recycling Service. As we now look to plan the delivery of the Devon Aligned Service to the remaining properties within the District, there is of course an increased risk of service issues. Detailed planning and governance arrangements are in place to minimise this risk but any service change carries an increased level of risk.
- 3.5 Addition of a new risk in respect of developing our new strategic priorities. It is likely that this will be removed from future strategic risks registers once an agreed timeline and approach for development is in place. This will be considered by the Executive on 28th June 2023.

4. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Effective risk management is an essential aspect of our Performance Management framework, as is scrutiny of these risks by the Audit & Governance Committee.
Financial implications to include reference to value for money	Y	Effective risk management is an important aspect of ensuring value for money services
Risk	Y	This report sets out the strategic risk assessment of the Council
Supporting Corporate Strategy	Y	All
Consultation & Engagement Strategy	N	
Climate Change - Carbon / Biodiversity Impact	N	

Comprehensive Impact Assessment Implications		
Equality and Diversity	N	
Safeguarding	N	
Community Safety, Crime and Disorder	N	
Health, Safety and Wellbeing	N	
Other implications	N	

Supporting Information

Appendices:

Appendix A – Strategic Risk Profile – June 2023

Background Papers:

None