



South Staffordshire Council

APPENDIX 3

Strategic Risk Register

Quarter 4 - 2023/24 Update



Our Risk Management Objectives

We have six key objectives that guide our approach to Risk Management

1. Adopt a strategic approach to risk management in order to make well informed decisions.
2. Integrate risk management into how we run council services and deliver key projects.
3. Support a culture of well measured risk taking throughout the council including setting risk ownership and accountabilities.
4. Accept that even with good risk management and our best endeavours, things can go wrong. We will learn lessons where this happens.
5. Ensure that the council continues to meet all statutory and best practice requirements in relation to risk management.
6. Ensure that risk management continues to be a key and effective element of our Corporate Governance.

Benefits of Effective Risk Management



Improved Strategic Management

- Greater ability to deliver against our corporate objectives and targets.
- Improved decision making, planning and prioritisation.



Improved Operational Management

- Plans in place to response to incidents when they occur.
- Better service delivery.



Improved Financial Management

- Better informed financial decision making.
- Greater financial control.
- Minimising waste and improving value for money.



Improved Customer Service

- Service disruption to customer minimized.

Our Risk Management Process

Identification of risks, deciding what action to take to minimise the risk and assessing how successfully we did it is an activity that we are all doing constantly in our personal lives. The same approach is applied by the council in assessing risks to our priorities and services.

To do this we follow a five step approach:



Our Risk Management Scoring

Likelihood

How possible is it that the risk will occur?

	Likelihood	Chances of occurring	
1. Rare	Unlikely to occur under normal circumstances	0-10%	Very unlikely this will ever happen e.g. Once in 100 years
2. Unlikely	Potential to occur however likelihood remains low	10-25%	Not expected to happen, but is possible e.g. Once in 25 years
3. Possible	Possible - Could occur	25- 50%	May happen occasionally e.g. Once in 10 years
4. Likely	Likely - Most likely will occur	50-80%	Will probably happen, but not a persistent issue e.g. Once in 3 years. Has happened in the past.
5. Almost Certain	Almost certainly will occur	80-100%	Will undoubtedly happen, possibly frequently e.g. Annually or more frequently. Imminent/near miss.

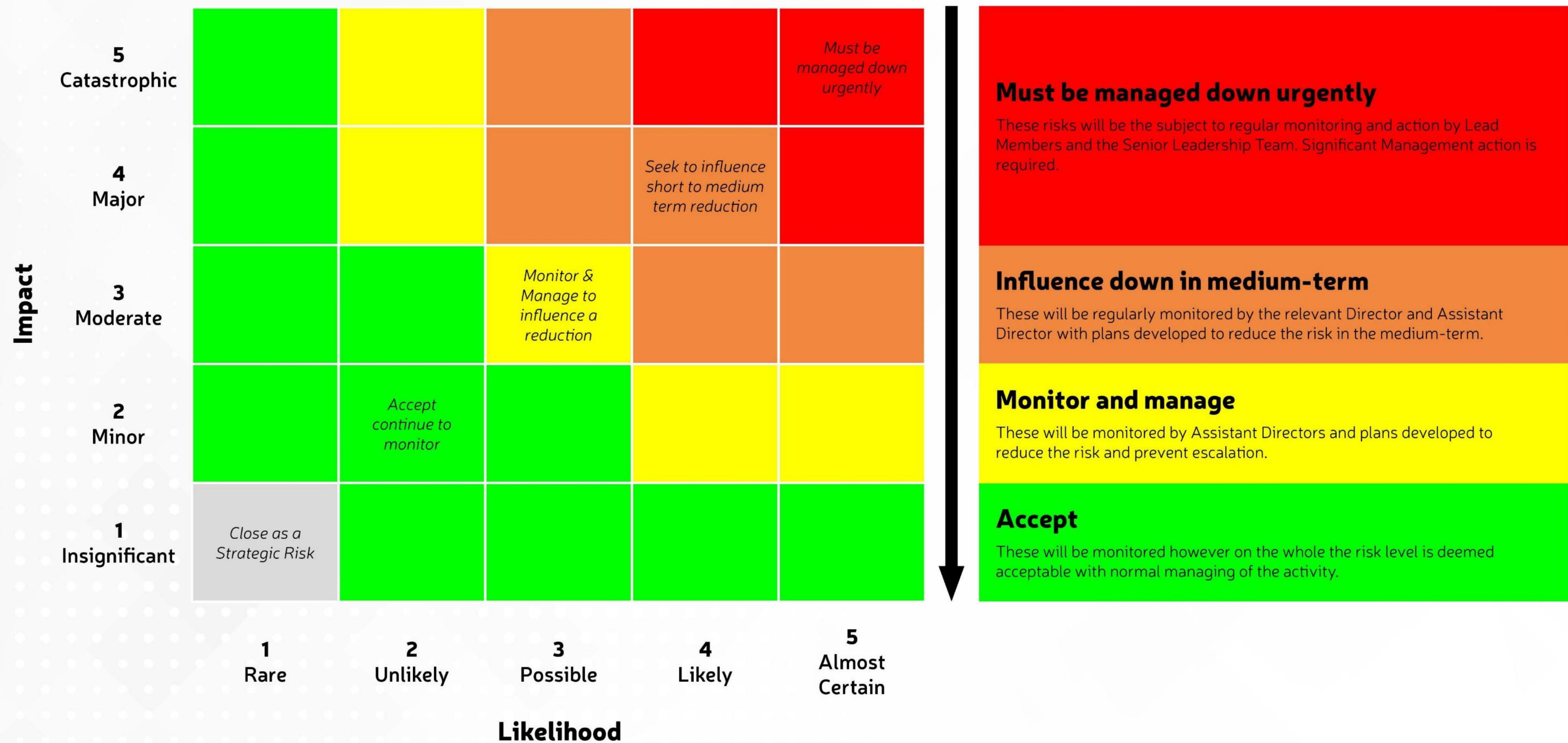
Impact

If the risk does occur, what is the impact?

	Impact Category					
	Financial	Service Quality	Reputation	Legal/Regulatory	Health and Safety	Morale/Staffing
1. Insignificant Impact	Financial loss of less than £10k	Drop in performance or delays to a process or temporary loss of an access route to a service	Limited local interest, single story	Not reportable to regulator/ Ombudsman, simple fix	Minor first aid required	Isolated staff dissatisfaction
2. Minor Risk	Financial loss of between £10k & £100k	Drop in performance or delays to a service area or sustained loss of access routes for services	Local or 'industry' interest, single story over multiple news outlets	Reportable to regulator/ Ombudsman, no or little follow up needed	Minor injuries to employees or third parties	Pockets of staff morale problems and increased turnover
3. Moderate Risk	Financial loss of between £100k & £500k	Drop in performance or delays to a service area or sustained loss of access routes for services	Short-term negative media exposure	Regulator/Ombudsman report with immediate correction to be implemented, or risk of prosecution	Simple 'medical professional' type care for employees or third parties, e.g. GP visit, minor injuries unit visit	General staff morale problems and increased turnover
4. Major Risk	Financial loss of between £500k & £1M	Major drop in performance or inability to deliver discretionary services	Sustained negative media coverage or 'affected industry' publication exposure	Regulator/Ombudsman report requiring major project to correct or prosecution with fines, etc.	Limited hospital care required for employees or third parties	Widespread morale problems and high turnover. Not perceived as employer of choice
5. Catastrophic	Financial loss of over £1M	Major drop in performance or inability to deliver mandatory services	Long-term negative media coverage, or national media exposure	Significant prosecution or fines, incarceration of directors	Significant injuries or fatalities to employees or third parties	Some senior leaders leave / high turnover of experienced staff, insufficient staff to complete statutory functions

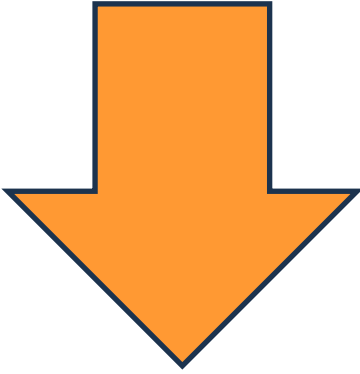
To calculate the overall risk score, we multiply the likelihood by the highest impact category score.

Our Risk Management Treatment



Adherence to Medium Term Financial Strategy					Overall Scoring
What is the risk?	Failure to sustain a robust on-going medium term financial strategy with adequate reserves to meet unforeseen circumstances. This may be due to increased cost pressures and / or reduced income; council decisions; changes in Government policy with regard to business rates or additional requirements on service provision without funding to support.				Risk Score (Current)
	Failure to meet savings plans or deliver increased income as detailed within the medium term financial strategy				
What could cause the risk to occur?	Reduction in Government grant, increasing demand for services and other cost pressures and increased risks associated with business rate and council tax collection.				Risk Score History
	Additionally, income from commercial activities may not materialise or may be reduced, e.g. a reduction in sales fees and charges income. The amount of income received can be adversely affected by a fall in collection rates due to economic downturn 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.				
Risk Scoring	Likelihood of risk occurring		3 (Possible)	What are we doing to reduce the risk? 1. Robust horizon scanning to monitor changes in Government policy. CLT awareness of the risks, cautious approach to budgeting and robust systems of financial control. 2. CLT actively participate in Government consultations, MP discussions and keep aware of changes ensuring where appropriate the learning from this is incorporated into strategic plans. 3. CLT and Members engaged in the development of the MTFS to ensure robust appraisal of any plans put forward.	12
	Impact	Financial	4 (Major)		
		Service Quality	4 (Major)		
		Reputation	4 (Major)		
		Legal/Regulatory	4 (Major)		
		Health and Safety	1 (Insignificant)		
		Morale/Staffing	2 (Minor)		
Current Update	The Council has approved its Medium Term Financial Strategy for the period covering 2024/25 to 2028/29. The budget presents a balanced budget for a three-year period to 2026/27 achieved with the use of reserves. The budget takes a prudent view of income and expenditure given the continued uncertainty about the level of local government funding for 2026/27 and beyond. Aligned to the MTFS, the Councils Capital, Treasury and Asset Strategies all support the medium term planning. The Council's accounts for 2022/23 have been audited and given an unqualified opinion. As at 31 March 2023, the Council has £15.666 million in General and Earmarked Reserves. The budget planning process for 2025/26 will begin shortly and continued focus will be on ensuring that the use of reserves is sustainable along with identifying alternative options that can be implemented if funding reform has a detrimental impact on the Council's funding.				Risk Direction

Business Continuity					Overall Scoring	
What is the risk?	The risk is that we do not develop and keep maintained 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 leading to inability to deliver key council services. Increased risk of successful cyber attacks on main Council systems or on partner organisations Identified Risks within BCP’s: Risk to internal (on premise) IT Systems ,Flooding Risks , Pandemics, COMAH Site, Inclement weather New risks identified working with CCU: Electricity Supply disruption - Fuel Pipeline incursion - Industrial Action - Concurrent Incidents - Railway incident - Light Air Craft incident				Risk Score (Current)	
					15	
What could cause the risk to occur?	Developing and maintaining robust Business Continuity Plans requires significant and sustained focus. Following Covid 19, the Councils risk profile has changed as we have relied much heavier on working in different ways (for example more staff working from home the majority of time) and with significant pressures being placed on some of our key delivery partners/ contractors. Work is required to update our BCP ’s to the changing environment that we are operating in. Increased and targeted cyber threats, changing weather patterns and ongoing political, social and economic unrest increase the risk of a business continuity event triggering. Multiple or concurrent incidents may overwhelm the ability to respond to incidents through to recovery without intervention from senior management directing staff away from current day roles , Lack of training for those who are responders in the event of an incident/multiple concurrent incidents occurring at all levels				Risk Score History	
					15	
Risk Scoring	Likelihood of risk occurring		3 (Possible)		What are we doing to reduce the risk? 1. Migration to off premise back up of key digital applications and continued move to cloud hosted solutions 2. Agile working further reduces reliance on office buildings. 3. Locality workers can be despatched more easily to ensure resident and business engagement can be maintained during any incident. 4. Business Continuity plans have been updated and are regularly tested with key partner organisation support	
	Impact	Financial	5 (Catastrophic)			
		Service Quality	5 (Catastrophic)			
		Reputation	4 (Major)			
		Legal/Regulatory	2 (Minor)			
		Health and Safety	3 (Moderate)			
		Morale/Staffing	3 (Moderate)			
Current Update					Risk Direction	
Continued membership of the Local Resilience Forum . Exercise and Training Hub to provide appropriate training to all roles , BCPS for all services to be reviewed24/25 Maintaining a modern and stable IT estate, applying both functional and security updates on a regular basis, and regularly testing the cloud backup and restore processes. Continued migration of IT applications to being hosted in the cloud. Provision of a cloud disaster recovery service by April 2025 to temporarily host the remaining on-premise systems in the cloud in the event of a complete network outage. Refinement and testing of a Cyber Incident Response Plan, including associated playbooks containing scenarios that simulate an actual attack. Progress has also been made in updating our Business Continuity and recovery plan for our IT service.						

Delivery of Waste and Recycling Service				Overall Scoring
What is the risk?	a) To deliver the services to the specified standard and within agreed contractual values. b) The maintenance of green waste collection revenue c) The timescale of forthcoming legislative changes not aligning with the necessary timescales to integrate into service design for post-March 2025 d) Changes to funding landscape for waste and recycling services (e.g. EPR, DRS and new burdens) e) Lack of market interest in contracts for waste collection, and materials processing post-March 2025 g) Further reduction in recycling credits (dry) placing additional pressures on service budget h) Loss of disposal points and/or fleet i) Failure to achieve recycling rate target j) Service assessed as ‘ineffective’ and/or ‘inefficient’ under EPR			Risk Score (Current) 
What could cause the risk to occur?	a) Inadequate resourcing; digital systems; fuel shortages; material market; inaccurate bid; poor contract /service/budget management; inflation b) Cost of living pressures; poor service standards; inaccessibility of sign-up process; government mandate free of charge collections c) Lack of government clarity; delays to the outcomes; procurement timeframes for new collection and disposal services d) Short, fixed timeframes for implementation will result in saturation of the markets for consultants, procurement, vehicles, waste containers etc. e) Funding design; poor data and evidence use; new burdens limitations f) Disposal points proximity and negotiated capacity; core material ambiguity; material quality, quantity and value; value of material collected; availability of depot/land g) Dry credit agreement being , green credit agreement will result in value tracking contract cost only from 2024 until 2027 when the contract expires. h) Emergency events; hazardous waste in kerbside bins; local incident obstructing access; lack of suitable contingency provision i) Not implementing minimum standards; failure to deliver an effective and efficient service; social demographics; communication/participation rates fall j) Service is deemed to be underperforming and placed on an improvement plan			Risk Score History 
Risk Scoring	Likelihood of risk occurring		3 (Possible)	What are we doing to reduce the risk? 1. Continued engagement with the existing contractor to ensure performance is maintained 2. Developing a comprehensive communication plan to better engage with residents 3. Developed risk assessment and business continuity plans for the delivery of services 4. Reviewing contract management practices including audit schedules; contract manual development; and developing how data and evidence is used as contractual intelligence 5. Improved budget monitoring practices to keep a ‘real time’ record of projected end of year, and current spend against target 6. Soft market testing process for post-March 2026 service to glean market interest 7. Charges for replacement/additional bins; bins for new developments; review charges for garden waste collections price increase to £45.50 from May 24; review of services we could charge/make savings from
	Impact	Financial	5 (Catastrophic)	
		Service Quality	5 (Catastrophic)	
		Reputation	5 (Catastrophic)	
		Legal/Regulatory	4 (Major Risk)	
		Health and Safety	4(Major Risk)	
		Morale/Staffing	4 (Major Risk)	
Current Update	Regular contract meetings are held to manage the arrangement and issues escalated to the Corporate Leadership Team where required. Introduced increased charges for bulky waste collections to realign charge with our increased costs over the last decade. Increased charges for CGW implemented from May 2024. Charges for bins for developers and resident damage approved, and to be embedded into service delivery. Data led resourcing plan for customer services during green waste sign up period; improved digital service offer for online sign ups, communications and operational delivery plan based on data, intelligence and lessons learned from previous years. Maintenance of membership of key groups including LARAC and NAWDO for regular updates; attendance of DEFRA workshops and webinars for updates; contributing to design and development of new systems and processes including through providing data and intelligence to government bodies Recycling credits a fixed item on SWOG agenda, and discussed at a partnership level, and Board level at Staffordshire Sustainability Board. Dry credit proposal developed by			Risk Direction 

Cost of Living Pressures					Overall Scoring	
What is the risk?	The risk is that the significant increase in the cost- of- living results in many more residents requiring urgent support to meet their basic needs and to keep on top of their essential bills. The increase in residents requiring support will put pressure on Council services particularly Housing, Revenues and Benefits as well as for some of our key partners such as Citizens Advice. Additionally, as residents have less disposable income, we are likely to see an impact on discretionary spend services and businesses across the district. We could also see a rise in homelessness applications due to residents getting into debt and being unable to pay their rent or mortgage and landlords not being able to meet mortgage payments are increasing rents significantly.				Risk Score (Current)	
					15	
What could cause the risk to occur?	There has been a marked increase in the cost of living, largely driven by an increase in energy bills. Inflation has hit a 40 year high in recent months and interest rates are continuing to rise. This will lead to a reduction in the living standards of many residents within the District. Rents and mortgages are increasing along with other household bills, food and fuel. Although wages for some have increased this has not matched the rate of inflation. For those in receipt of benefits their income has increased significantly less in comparison including Local Housing Allowance Rates compared with rental charges.				Risk Score History	
Risk Scoring	Likelihood of risk occurring		5 (Almost Certain)	What are we doing to reduce the risk? 1. We have taken steps to quickly progress payments through the government Council Tax energy rebate scheme and launched a discretionary scheme for those households not eligible for the main scheme 2. Invested in the Welfare Team to ensure applications for support including housing are dealt with within expected timescales 3. Established emergency funding ‘Community is the Best Medicine’ to support groups to set up warm spaces or other suitable community support. 4. Cost of Living Checklist which is reviewed monthly by CLT and Cabinet and has reflected in the 2023/24 MTFS		
	Impact	Financial	3 (Moderate)			
		Service Quality	3 (Moderate)			
		Reputation	3 (Moderate)			
		Legal/Regulatory	3 (Moderate)			
		Health and Safety	2 (Minor)			
		Morale/Staffing	3 (Moderate)			
			15			
Current Update	Additional grant funding received through the homelessness prevention grant to be used to lease additional temporary supported accommodation. Staff vacancies now filled. 23/24 - Processed 1,570 new benefit claims in average of 20 days Creating Brighter Futures scheme – supporting people to become financially resilient, moving closer to work, into work and training/qualifications for those in low paid and unskilled jobs. At end of Q4 we have 130 people receiving support of which 77 are economically inactive and 8 people have moved into work. Community is the Best Medicine – with the launch of the combined on-line application form we are starting to see more applications for community support.				Risk Direction	

Workforce					Overall Scoring	
What is the risk?		The risk is that the Council fails to recruit or retain appropriately skilled, experienced and trained staff to deliver our services. Which in turn could result in us being unable to fulfil statutory responsibilities and/or provide services of an appropriate quality standard to our residents, communities and businesses.			Risk Score (Current) 12	
What could cause the risk to occur?		• Wider economic pressures, cost of living will encourage staff to look for alternative employment • Skills shortages drive up market pay • Failing to have the right culture , values and working environment will make it less likely that we are considered to be an employer of choice • Inadequate workforce and staff training				
Risk Scoring		Likelihood of risk occurring		3 (Possible)	What are we doing to reduce the risk? The Councils Workforce Strategy includes a range of targeted interventions to prevent and mitigate against this risk including: I. Market pay benchmarking/reviews II. Vivup employee benefits scheme III. Range of actions to support inclusive positive leadership culture, flexible ways of working and excellent staff wellbeing support. I. New recruitment landing site and enhanced marketing of our employer of choice brand II. RPP and regular ELT reviews which identify appropriate investment and deployment of resources across services. III. New Talent Attraction and Retention policy approved in March 2024	
			Financial	2 (Minor)		
			Service Quality	4 (Moderate)		
			Reputation	3 (Moderate)		
			Legal/Regulatory	3 (Moderate)		
			Health and Safety	3 (Moderate)		
			Morale/Staffing	4 (Moderate)		
Current Update		- 2023/2024 vacancy, internal promotion are strong. Retention rate was 88%. - Our 2023/2024 staff engagement survey confirmed that 96.5% of staff recommend us as a place to work with many commenting that we are a fair, flexible and supportive employer. - We will be carrying out promotional work on our new Talent Attraction and Retention Policy.			Risk Direction Stable	

Housing, Infrastructure and Growth					Overall Scoring
What is the risk?		Lack of an up to date Local Plan in place could lead to unplanned ad hoc developments being consented across the district that are not in the appropriate locations, and delivered without a strategic overarching review of what additional infrastructure may be needed (both financial developer contributions as well as delivery of new facilities), therefore burdening existing infrastructure further.			Risk Score (Current) 12
What could cause the risk to occur?		The recent government proposals to change the NPPF and the planning system have created a great deal of uncertainty around what our Local Plan should deliver. In the light of this uncertainty, Members may fail to reach agreement on the Local Plan. Without an up to date plan in place quickly, the Council may soon fail to demonstrate a 5 year housing land supply (5YHLS), which will lead to the ‘presumption in favour of sustainable development’ being engaged, and then lead to an increase in applications for housing on non Green belt sites. The increase in planning applications in the absence of a 5YHLS will also be compounded by the delay to Biodiversity Net Gain recently announced, and landowners desire to gain consent and avoid needing to deliver such requirements.			
Risk Scoring	Likelihood of risk occurring		3 (possible)		What are we doing to reduce the risk? 1. We have taken steps to quickly progress Member engagement on Planning, particularly the Local Plan, post elections. We aim to get a clear steer from Members in July, with a view to making our position public and restarting the Local Plan. 2. Invested in the Planning Team to ensure both the Local Plan can be prepared swiftly and correctly, as well as fully staff Development Management to effectively manage planning applications in a timely manner. 3. Support our non-statutory paid planning functions to ensure that pre-application advice can be given to prospective applications, to ensure infrastructure is given full consideration on a case-by-case basis. On larger sites, continue to work under paid Planning Performance Agreements (PPAs) to ensure sites can deliver necessary onsite infrastructure. 4. Maintain good relations with service and infrastructure providers to respond swiftly to ad hoc applications.
	Impact	Financial	3 (moderate)		
		Service Quality	4 (major)		
		Reputation	4 (major)		
		Legal/Regulatory	3 moderate)		
		Health and Safety	1 (insignificant)		
		Morale/Staffing	3 (moderate)		
Current Update		Members have now approved we consult on an updated Reg 19 (Publication Plan) and the consultation will run from 18.4.24 - 31.5.24. A variety opportunities for the public to engage in the consultation have been set during that time, both face to face and digitally. Following the consultation officers will then be working towards a submission to the Sec of State before the June 2025 deadline Parish Council Forum has been arranged for 13th May 24. The session will provide Parish Members and Clerks the opportunity to engage with us on the Local Plan, Development Management and Enforcement. WE are also continuing to engage with colleagues on DLUHC as we progress the LP.			Risk Direction ↓

UK Shared Prosperity Fund				Overall Scoring
What is the risk?	Poor financial performance (underspend or overspend), Poor performance and failure to achieve expected outputs and outcomes, weak governance, reputational damage through poor financial performance, poor delivery and weak governance. Missed opportunities to make a difference to our communities, residents and businesses, internal capacity to deliver projects and programme management, potential for fraud from recipients of funding, correct procurement guidelines followed. No further funding available after March 25			Risk Score (Current) 9
What could cause the risk to occur?	- Weak governance - Inadequate monitoring of financial performance - Inadequate monitoring of delivery - Lack of grant funding qualifying criteria and evaluation - Lack of due diligence checks on grant recipients - Poor comms and branding - Failure to adhere to UKSPF & Council procurement guidelines - Failure to engage with partners - Failure to plan or having no continuity plans in place post march 25			
Risk Scoring	Likelihood of risk occurring		3 (moderate)	What are we doing to reduce the risk? - Agreed governance in place with regular monitoring at officer board, CLT, Cabinet, Overview & Scrutiny & to DLUHC. - Programme Officer appointed on F/T contract - Robust funding guidelines and evaluation process - Grant funding evaluation panels in place with mixture of internal & external colleagues - Robust due diligence of bids & funding agreements in place prior to receiving any funding - Comms opportunities considered by project leads & officer’s board. - DLUHC branding requirements are a condition of grant funding - Regular consultation & updates to South Staffordshire Partnership & some partners on evaluation panels. - Internal reviews & working with partners to look at alternative funding should UKSPF cease in March 25.
	Impact	Financial	3 (moderate)	
		Service Quality	3 (moderate)	
		Reputation	3 (moderate)	
		Legal/Regulatory	3 moderate)	
		Health and Safety	1 (insignificant)	
		Morale/Staffing	2 (minor)	
Current Update	People & Skills (Creating Brighter Futures) – Overall performance is strong with some of the indicators for the end of the programme already achieved. For those RAG rated red they are being reviewed and action plans being put in place to address performance. Also looking at more quantitative measures to better demonstrate the difference the programme is bringing to our residents. Supporting Local Business – All programmes have commenced take up has been broadly strong, although applications for individual business grants has been lower than expected. Looking at tweaks to eligibility to improve take up. ‘Ascendent’ software programme being used as a clear and auditable system of applying for, approving & distributing grants. High St/Village Centre appraisal is close to be finalised and will be presented to Members in near future. Community & Place – Landywood Enterprise Park decarbonisation works now largely complete. Partnering with SCC to combine Warmer Homes funding & activity to broaden eligibility criteria, now live. Bulk of C & P is in y3 but working up and procuring projects including active travel and green space enhancements, and tourism activities. Y1 & 2 allocation is circa £1.39m & provisional total spend at 31.3.24 is £960k (70%) Rural England Prosperity Funding – Total grant = £489k & £225k allocated with continuing strong interest in applying			Risk Direction ➡