



SSDC Strategic & Corporate Risk Register for Quarter 4

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Purpose of the Report

1. This report is provided to inform Audit Committee on the status of the Strategic and Corporate Risk Register at close of Quarter 4 and cover arrangements to transition the District risks to the new Somerset Council. The date of report extract from the risk system is 7th March 2023.

Public Interest

2. Effective risk management will help to ensure that the Council maximises its opportunities and minimises the impact of the risks it faces, thereby improving our ability to deliver key priorities, improve outcomes for residents, maintain good governance and minimise any damage to its reputation.

Recommendation

3. Audit committee note the closure and assimilation of SSDC strategic & corporate risks into the proposed new Somerset Council risk register.

Background

4. Risk: "The effect of uncertainty on objectives, often described by an event or a change in circumstances"
5. Risk Management: "Coordinated activities to direct and control an organisation with regard to risk"

Report Detail

6. The report presents the status of the 11 Strategic and 22 Corporate risks for SSDC on the 7th March 2023.



Changes to the strategic and corporate risk profile since the Q3 report

7. No new strategic or corporate risks were identified in the period since the last update (January 12th) and no risks scores were amended.
8. 5 Risks were closed as they are no longer relevant to maintain and were not deemed to be appropriate for assimilation into the new Somerset Council strategic risk register. These risks are:
 - REP-01 Risk that SSDC members lose engagement and focus on strategic priorities post election and during unitary transition
 - FIN-05 - Further local or national pandemic restrictions impacting daily council business
 - PAP-05 - Loss of stakeholder support to projects
 - REP-03 - Risk of reputational damage if regeneration projects are not delivered or proposed changes are not well presented.
 - REP-02 - Risk of reputational harm to SSDC due to all ongoing issues
9. The remaining risks have been considered and assimilated into the developing Somerset Council risk register as described below.

Transition of SSDC strategic and corporate risks into the new Somerset Council Risk register

10. As advised in Q3 report, work to establish a new risk framework for the new Somerset Council is progressing well. Alongside the development of the new risk framework and policy the strategic and corporate risks of the four District Councils have been consolidated in February 2023, enabling the creation of the Somerset Councils emergent risk register encompassing existing SCC, Districts and strategic LGR programme registers. This is detailed in the table below.
11. The table shows the legacy SSDC risks and their alignment to the emerging Somerset Council risks. A number of risks will also be assigned to service level risk registers in the new council and have been identified as such. It should be noted that at the time of this report the Somerset Council risk register is still at a proposal stage and has not been agreed or “gone live”, so this is shared only to illustrate to members that the SSDC risk profile is being considered within the new design.

Title	SSDC Legacy Risk Title	SSDC Risk Score	SSDC Level	Status	Related Somerset Council Risk (Proposed)	Risk Narrative
GAL-01	Failure in Statutory compliance and practice - Information Governance	14	Strategic	Migrated and integrated	ORG0053 - Organisational resilience	Without the minimum level of capacity and resource, the resilience of the organisation is compromised.
DOS-01	COVID - Risk of SSDC not being prepared for Business continuity issues / Civil contingency enactment	13	Strategic			
PEOPLE-03	Inability to recruit to meet resourcing needs	21	Corporate			
DOS-04	Risk to the confidentiality, integrity, or availability of information assets due to malicious activity or user error.	19	Corporate			
GAL-05	Failure to deliver mandatory statutory functions (e.g. planning, licensing)	15	Corporate			
PAP-02	Capital costs are spiralling	20	Strategic	Migrated and integrated	ORG0057 - Sustainable MTFP	The forecast costs of services in the form of the 2023/24 Somerset Council budget must match the financial resources available. There is a risk that the current high inflationary pressures adverse impact on the costs of services, HRA and capital programme whilst income levels do not increase, resulting in a significant budget gap for 2023/24 and future years. There is also the risk that new legislation introduced by government, such as the fair cost of care, is not fully funded causing an adverse financial impact and further funding pressures. <i>(Note: The strategic MTFP risk may be expanded or be supported by more granular service level risks as these are agreed and defined.)</i>
FIN-07	Governance and decision making around use of public money	8	Strategic			
DOS-02	Increasing numbers of public needing our services	25	Corporate			
FIN-03	Lower Business Rates Income than anticipated	21	Corporate			
FIN-01	Rising costs of borrowing adding increased pressure on budgets	20	Corporate			
FIN-02	Increase in inflation risking cost overspends	20	Corporate			
FIN-06	Management of commercial Investments	18	Strategic	Migrated and integrated	Proposed Risk - Commercial investments	Commercial properties – management

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DOS-03	Ineffective or inadequate delivery to customers through SSDC partnerships	14	Strategic	Migrated and integrated	Proposed Risk - Community resilience	Cost of living, community safety
HAS-01	Failures in Statutory compliance and practice - Health & Safety	23	Strategic	Migrated and integrated	Proposed Risk - Health and safety	
HAS-02	Poor implementation or failure of new Health and Safety framework (systems and infrastructure)	23	Corporate			
PAP-01	LGR programme creates tensions shifting priorities / tensions between BAU & LGR work	20	Strategic	Migrated and integrated	Proposed Risk - Staff Resilience	Recruitment, retention, wellbeing, adapting to changing culture, cost of living impacts, officer specialisms
PEOPLE-01	Risk of a potential lack of organisational capacity to deliver key objectives.	15	Strategic			
PEOPLE-02	Risk of failing to retain staff	20	Corporate			
PEOPLE-06	Risk of deterioration in quality of work being delivered by staff	15	Corporate			
PEOPLE-04	Staff morale & wellbeing affected by organisational pressures and unitary transition	15	Corporate			
PEOPLE-05	SSDC staff have a lack of change readiness/resilience to the LGR transition period	14	Corporate			
GAL-03	Risk of officer or member inducement, bribery, or corruption	13	Corporate	TBC	Still to be determined where risk sits	<i>Note: A separate risk register for the dynamics programme is in play, where risks related to system fraud are recorded.</i>
FIN-04	Financial system risks	12	Corporate	TBC		
GAL-04	Failure to comply with corporate procedures	9	Corporate	TBC		
PAP-03	Lack of organisational knowledge base on projects	8	Corporate	TBC		
GAL-02	Failure in Statutory compliance and practice – Equalities	13	Strategic	TBC	Deemed an operational risk to be recorded as service level	
PAP-04	Poor or partial planning and execution of strategic priority projects	18	Corporate	TBC		

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FIN-05	Further local or national pandemic restrictions impacting daily council business	19	Corporate	Close																						
PAP-05	Loss of stakeholder support to projects	14	Corporate	Close																						
REP-03	Risk of reputational damage if regeneration projects are not delivered or proposed changes are not well presented.	13	Corporate	Close																						
REP-02	Risk of reputational harm to SSDC due to all ongoing issues	9	Corporate	Close																						
					ORG0056 - Supply Chain – disruption																					
										ORG0060 - Adult Social Care – statutory duties																
															ORG0061 - Climate Change	SC unable to take strategic urgent action to mitigate and adapt to the current and future impacts of climate change										
																				Proposed Risk - Housing	Resources, homelessness service, Building Safety Act, land supply,					
																									Proposed Risk - Water Born risks	Accident or death from use of BoS Jetty, beaches, Port and harbours

12. The work to define the approach and the proposed initial risk registers for the new council has been undertaken by a group of officers from both County Council and District Councils who have responsibilities for risks within their own organisations and is a collaborative piece of work that reflects all Council's work.
13. There are several dependencies and challenges remaining in the completion of the overall suite of documents for the emerging framework, and the development of new risk registers, which will be addressed after vesting day and when further details of the structure and operating model of the new council is known. Resolution of these dependencies will allow further development of the approach.
 - Council's aims and objectives to enable identification and alignment of strategic risks
 - Somerset Council operating model
 - Roles and responsibilities across the new organisation, including structure
 - Resourcing of Risk Management
 - Governance of risk – The Somerset Councils constitution

Financial Implications

14. There are no financial implications as a result of noting this report.

Council Plan Implications

15. There are no Council Plan implications as a result of noting this report.

Carbon Emissions and Climate Change Implications

16. There are no carbon emissions and climate change implications as a result of noting this report.

Background Papers

- Presentation showing status of the Strategic and Corporate risks register on 12th January 2023.
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