

**Report to:** Audit Committee

**Date of Meeting:** 22 September 2016

**Report Title:** Strategic Risk Register

**Report By:** Tom Davies  
Chief Auditor

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### **Purpose of Report**

To inform Members of the current strategic risks identified for Hastings Borough Council and the measures put in place to avoid or mitigate those risks.

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### **Recommendation(s)**

- 1. To acknowledge the risks identified in the report and comment as appropriate.**

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### **Reasons for Recommendations**

As part of the Corporate Risk Management Strategy agreed by Cabinet, the Strategic Risk Register is to be reviewed by the Audit Committee each year.

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## Introduction

## Background

1. Details of the methodology and terms commonly used were included in the first report presented at the 27 September 2010 meeting and the process for reviewing the Corporate Risk Register is now embedded.
2. The Strategic Risks tend to be more significant than Operational ones and so in order to maintain focus, this report is dedicated to the Strategic Risks only. The Operational Risk Register, however, is being separately presented but at the same Audit Committee meeting to enable a holistic view of all risks facing the council.
3. The Strategic Risk Register is intended to give the Audit Committee and Corporate Management Group a helicopter view of the potential threats to the Council and the danger each one represents. The processes involve: -

Assessment and monitoring of a risk to the Council

The probability of the risk occurring

The impact to the Council should it occur

The Council's ability to avoid or reduce the impact

Whether the costs of preventative action are justified

4. The reason for reviewing these risks in this way is to manage risks that could potentially: -
  - Inhibit the Council's ability to operate effectively or efficiently,
  - Damage the reputation of the Council and/or affect funding opportunities/grants,
  - Put the Council at risk from legal proceedings
5. The main purpose of this report is that the status of all strategic risks is reviewed and changes in the level of perceived risks are monitored.

## Main changes to risks in the past year

### New risks

6. There were three new risks to report in the last 15 months. These are shown on Appendix A at risk number 17 'Brexit' implications, risk 18, Significantly reduced Higher Education provision, risk 19 and Devolution.

## Removed risks

7. Three risks have been removed from the Strategic Risk Register. The first one of these was "Delayed service provision at first point of contact (Community Contact Centre)" as it is now operationally efficient. The second one to have been deleted was "Bathing water quality fails to meet new EU Standard by 2015 deadline". This has been achieved but is kept ongoing in the operational risk register. The third risk "Disruption to service during Aquila House refurbishment" has been removed following successful implementation.

## Other changes to risks or their risk ratings

8. Risk number 5 shown at Appendix A, "Insufficient capacity and Organisational change whilst maintaining service delivery" has been increased from a medium likelihood to high making it an overall higher risk. Likewise, for risk number 8, "Deterioration of the Council's assets" in the light of remedial works identified for playgrounds and open spaces etc.
9. Risk number 15 shown at Appendix A, Extreme Weather, has now been expanded to include Flood risk management and Coastal Protection. The overall risk rating is unaffected.
10. Minor word amendments have also been made to a small number of other risks to reflect changes that are happening.

## Highest risks to the Council

11. These very highest risks to the Council are those that are of high likelihood and would have a high impact. These are denoted as High2 at appendix A and are:
  - High2 Reductions in Government funding.
  - High2 Changes in Central Government policy and decision making and changes In European Legislation which impact on the Council.
  - High2 Partnership regeneration programme remain uncompleted or stalled due to a lack of funding and focus.
  - High2 Increased demand for council services because of economic/social deprivation as a consequence of economic constraints on public spending.
  - High2 Insufficient capacity and Organisational change whilst maintaining service delivery.
  - High2 Deterioration of the Council's assets and other infrastructures e.g. playgrounds and open spaces.
  - High2 Use of emergency and other powers may be subject to compensation payment.

High2 'Brexit' implications

High2 Significantly reduced Higher Education provision

12. Potential risks that would have a high impact and medium probability of occurring are denoted by High1 and those that would have a medium impact but high chance of occurring are denoted as High3 at appendix A. Since these are still high potential risks for the Council but not as high as those at High2 above, they are listed below:

High1 Loss of key staff / skills / knowledge

High1 Contractual partnerships: Breakdown in contractor performance

High1 IT Systems/data loss. (IT Systems exposed to some vulnerability.  
Data loss is better protected through regular frequent back-ups)

High1 Severe Business Disruption

High1 Use of emergency and other powers may be subject to compensation  
payment

High3 Extreme weather: Drought/Rain/Snow/high winds and landslip/Coastal  
Protection

13. The mitigating actions to the above risks are monitored monthly and are formally reviewed every quarter.

14. The detailed Strategic Risk Register can be found at appendix A.

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**Wards Affected**

None

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**Policy Implications**

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	No
Economic/Financial Implications	No
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

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**Additional Information**

Appendix A - Strategic Risk Register

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