



## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Audit Committee

15 January 2024

Wards affected: All wards

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### Audit Committee Corporate Risk Register Review 2024/25

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#### Report of Head of Finance (Section 151 Officer)

#### 1. Purpose of report

- 1.1 To provide an update to the Audit Committee on the Council's Corporate Risk Register and respond to a key improvement action arising from the Corporate Peer Challenge in December 2024 in respect to the recommendation for corporate risks to be considered by this committee.

#### 2. Recommendation

- 2.1 That the Audit Committee:
- Review and consider the content of the report,
  - Note and endorse the Corporate Risk Register and Risk Management Framework, and
  - Consider if any further action is needed.

#### 3. Background to the report

- 3.1 The Council's Risk Management Framework ensures the effective maintenance of risk management framework by:-
- embedding risk management across core management functions of the organisation;
  - providing tools to identify and respond to internal and external risk;
  - linking risks to objectives within services and regularly reviewing these.
- 3.2 The Audit Committee has also asked that the Council's Corporate Risk Register is reviewed and presented to it periodically. The Corporate Risk Register (as at November 2024) is attached to this report at Appendix 1.

- 3.3 The current role of the Audit Committee in relation to risk management is to gain assurance over the governance of risk and covers three major areas.
- overseeing the authority’s risk management framework and their implementation in practice
  - overseeing the integration of risk management into the governance and decision-making processes of the organisation
  - ensuring that the Annual Governance Statement is an adequate reflection of the risk environment.

3.3 As part of the Action Plan developed by the Audit Committee, the terms of reference for the Committee are being revised to clarify their role in relation to risk management and ensure they are sufficient to ensure their responsibilities as the body charged with governance are discharged. Those terms of reference are subject to a separate report and if agreed will need to be approved by full Council.

3.4 The Risk Management Framework is attached at Appendix 2. This framework has been in place since June 2021 and has been managed on an ongoing basis by SLT with risk also reported by exception to Finance and Performance Scrutiny Committee. It’s contents cover:

1. Risk Management aims
2. Objectives
3. Risk definition
4. Risk appetite and tolerance
5. Risk approach

3.5 The framework has the following Risk categories to act as a prompt and to ensure completeness

Category	Associated with:
Political	Failure to deliver either central or local government policy or meet manifesto requirements
Economic	The ability to meet financial commitments (include internal budgetary pressures, adequacy of insurance cover, macro level economic changes, investment decisions)
Social	Changes in demographic, residential or socio-economic trends
Technological	With the ability to deal with pace of change, and consequences of internal technological changes
Legal	Current or changes in legislation
Environmental	Environmental policies and practice, and dealing with environmental consequences of progressing strategic objectives

3.6 Once identified risks are placed into Risk Registers, either the corporate risk register or an applicable service area risk register on the Council’s internal performance management system (InPhase). These are reviewed by SLT and / or the heads of service during the year and updated as required. Changes in

risks are also currently reported to Finance and Performance Scrutiny Committee.

- 3.7 For each risk there is a standard Risk Matrix used to score them:
- The Risk Matrix is a three by three table showing the likelihood and consequence of all risks.
  - The consequence of the risk which can be either low, medium or high, is multiplied by the likelihood of the risk which is also low, medium or high.
  - Low is scored as 1, medium is scored as 2 and high is scored as 3.
  - So if a risk has a low consequence but a high likelihood, the score is 1 multiplied by 3 giving a risk score of 3.

Table 1 Risk Matrix

Likelihood	3	3	6	9
	2	2	4	6
	1	1	2	3
		1	2	3
		Consequence		

**4. Exemptions in accordance with the Access to Information procedure rules**

4.1 Report is taken in an open session.

**5. Financial implications [IB]**

5.1 None directly from this report

**6. Legal implications**

6.1 None directly from this report

**7. Corporate Plan implications**

7.1 Contributes to all elements of the Corporate Plan and ability to deliver.

**8. Consultation**

8.1 None

## **9. Risk implications**

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 There is no immediate risk to the Council.

## **10. Knowing your community – equality and rural implications**

10.1 The Financial Statements and the audit process will allow local communities and groups to review the financial performance and stewardship of the Council.

## **11. Climate implications**

11.1 None directly from this report.

## **12. Corporate implications**

12.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

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Background papers: None  
Contact Officer: Ashley Wilson, Ext 5609  
Executive Member: S Bray

### Appendix 1: Corporate Risk Register

Risk Name	Owner	Key consequences/impacts	Summary of Assurances and Controls	Nov-24 Net risk level	Latest review commentary – Nov 24
<p><b>Devolution and Local Government Reorganisation</b></p>	<p>Bill Cullen</p>	<p>New combined authority may reduce influence</p>	<p>Governance to be negotiated to ensure districts retain a voice - especially with the dissolution of the LEP.</p>	<p>4</p>	<p>Engaging at senior level within DCN on positioning districts strongly in respect of response to forthcoming White Paper. Leaders meeting in December in advance of an MP Summit to secure a joint and agreed position on response to opportunities on devolution. Joint letters have been sent to the current and previous Secretary of States for local government on the district appetite to support the East Midlands MCA. Districts have also indicated to Leicestershire County, City and Rutland CC support to a LLR joint approach. A joint comms approach is planned between all Leicestershire Districts following the publication of the Devolution White Paper.</p>

Risk Name	Owner	Key consequences/impacts	Summary of Assurances and Controls	Nov-24 Net risk level	Latest review commentary – Nov 24
<b>S.04 - Damage to Reputation/adverse publicity</b>	Bill Cullen	Leads to lack of stakeholder confidence, high staff turnover, low morale, inability to recruit, and lack of confidence from our partners	Code of conduct for officers & councillors. Communication & consultation strategy "Media Implications" standing item on SLT Agenda. Media training. Forward plan of communications to SLT on regular basis	4	The Council continues to effectively monitor and promote external communication to its residents and businesses. SLT have a standing item on its agenda to review media and comms. The Council proactively responds to key local and national issues within its internal and external communications.
<b>S.12 - Insufficient Business Continuity Management arrangements</b>	Malcolm Evans	Leads to inability to deliver services following fortuitous events, poor reputation, breach of Civil Contingencies Act	Business continuity plans developed around business impact analysis. Crisis team creation Development of BCM. Resource deployment for Disaster Recovery	3	Shared business continuity officer now in post and work is underway to launch new awareness sessions and templates.
<b>S.16 - Failure to adhere to Health and Safety Legislation/ Regulations</b>	Julie Kenny	Can lead to prosecution, poor reputation, increase in absences, disruption to services, civil compensation claims	Appointment of dedicated IOSH qualified H&S Officer. General risk assessment training for middle managers. Guide to managers issued. Health and safety reported to Local Joint Safety Panel. Regular Staff H&S newsletter and agenda item on managers meetings.	3	Quarterly reports and monitoring take place with regular reporting to SLT, Statutory Safety Committee with minutes being shared with elected members for oversight.
<b>S.19 - Workforce capacity</b>	Bill Cullen	Workforce capacity leading to failure/inability to deliver services/objectives efficiently	Monthly review of sickness at SLT. Managers trained on how to manage absence supported by information from HR. People Strategy being refreshed	4	The Council has undertaken benchmarking across the Midlands which identifies HBBC as not being an outlier in terms of sickness rates. All long-term sicknesses and

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					short term absences continue to be managed effectively.
<b>S.45 - Council does not prevent or detect fraudulent activities</b>	Ashley Wilson	Leads to loss of income and negative reputation	Currently the main coverage of specific fraud risk is via the NFI process. The Audit Committee is considering if any further action is needed.	4	Internal Audit cover financial controls and report any issues as needed, although not specifically aimed at fraud any weaknesses would be reported. The Audit Committee do not have reports covering fraud specifically. Fraud Policy to be refreshed as part of Audit Committee Action Plan.
<b>S.54 - Depot insufficient space to accommodate introduction of food waste collections</b>	Malcolm Evans	No compliance with legislation. Consequences unknown Reputational damage	The group have identified a possible solution to the property demand the increased service demands require. Negotiations for a 15 - 25yr lease are ongoing and will form part of a separate report for Full Council approval.	3	Negotiations for a 15 - 25yr lease have been ongoing and Full Council approval to be obtained by end November.

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<b>S.55 - Climate Emergency</b>	Rosemary Leach	Failure to achieve the objectives of the climate emergency declaration will lead to increasing extreme weather event, reduced biodiversity and significant climate change which will impact on health, wellbeing and finances.	Cross party member working group and officer working group established, task and finish groups are working to deliver the climate change strategy, and an action plan has been developed which is reviewed quarterly. There is a quarterly update report for SLT. Work is also being undertaken in partnership with the other Leicestershire districts and county council. A revised Strategy Signed off by full council early in 2024 along with key achievements to date.	4	Work to decarbonise corporately by 2030 and as a Borough by 2050 has been progressing in line with the strategy and action plan. Quarterly update report taken to SLT and Member working group
<b>S.56 Crematorium delivery</b>	Ashley Wilson	Financial loss to the Council - and VAT costs not planned	The project is monitored on a regular basis through the Project Board and decisions taken to minimise any exposure to loss.	9	Tax advice has been taken on how to structure the operation of the crematorium via the wholly owned company. However, this advice still notes a small risk that HMRC will deem to construction vatable
<b>Cyber Security</b>	John Palmer	System, data and financial loss as a result of a cyber attack	Regular assessment against cyber assurance framework, MDR system in place and cyber awareness training mandatory for all staff.	4	Have completed self-assessment against the LG CAF and programme of work agreed.
<b>Balanced MTFS</b>	Ashley Wilson	Ongoing reductions in core funding leading to failure to deliver balanced MTFS	Regular sessions with SLT to develop income and savings plan	6	Income and Savings options agreed with Executive members in principle.



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<b>Dissolution of Business Rates Pool</b>	Bill Cullen	Threat from City and County resulting in financial loss and future uncertainty		3	No current indication of likely moves of any Leicestershire LA to dissolve the business rate pool.
<b>ICT Partnership</b>	Julie Kenny	Withdrawal of Blaby DC from the partnership and the capacity impact on the service	Robust response and project management in place to ensure strategic improvement works for remaining partners are not compromised	4	Exit now to be March 25 rather than Dec 24. Seeking agreement on technical approach to the exit.
<b>Increased homelessness presentations and temporary accommodation requirements</b>	Madeline Shellard	Year on year demands for the service not being matched by funding from Government	Work underway to establish viable financial options to meet demand, including partnership with Falcon Support Services and repurposing existing accommodation.	3	Options paper to be taken to SLT in December for consideration, with a target to reduce spend in 25/26 and 26/27. Spend this financial year below 23/24 level.
<b>Loss of external funding and impact on capacity</b>	Sharon Stacey	Number of posts delivering priority services based upon short term funding	Work with service leads to identify alternative funding and look at exit strategies where appropriate.	4	Extension in funding for welfare officers agreed with Cadent. Homeless Prevention grant will continue to fund additional housing options capacity.
<b>Delivery of the Local Plan</b>	Chris Brown	Risk of increased speculative planning applications, increased planning appeals, potential for Government intervention and risk to delivery of Corporate Plan Place themes	Local Development Scheme kept updated annually, with review due in Feb 2025. Regular update reports to SLT and Planning Policy Member Working Group. Officers attend 3x different levels of county wide strategic planning meetings to discuss progress and share evidence base	3	Regulation 18 draft Local Plan consulted on in summer 2024 for 8 weeks. Nearly 800 responses received. Key risks identified in consultation include impact on the SRN (A5) and delivery of strategic allocations. New NPPF consulted upon to September

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					2024 and with response awaited. New NPPF, and transitional arrangements, are key to plan moving forward.
<b>Social Housing Regulation</b>	Madeline Shellard	New legislative requirements increase pressure on resources, capacity and delivery. Risk of lack of compliance and poor grading for council following inspection resulting in reduced confidence and satisfaction-	Action plan in progress to demonstrate how legislation is met. Work underway to ensure any compliance across all areas.	3	<p>Sign off to key pieces of work from Executive and taken through Scrutiny as part of the approval process. This includes Tenant Communication Strategy, Tenant Scrutiny approach and Tenant’s Charter.</p> <p>Publication of national Tenant Satisfaction Measures show service is above upper quality for all tenant perception measure.</p>
<b>Planning Designation</b>	Chris Brown	Reputational damage. Risk of loss of planning fee income and loss of control for major planning application decisions	Regular dialogue with the Planning Advisory Service.	3	Planning Committee training undertaken to outline risks of designation and adequate reasons for refusing major planning applications

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<b>Emergency Planning arrangements</b>	Madeline Shellard	Failure to ensure preparedness and respond adequately to emerging threats including adverse weather incidents	Work taken place with ELT and other key managers to progress EP response. Training taken place supported by Resilience Partnership.	3	On call staffing rota to commence in January 2025 alongside increased workforce training  Included session for new starters on Emergency Planning in induction programme

