

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	28 February 2022		
TITLE:	Corporate Risk Monitoring Report – November 2021		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):	Performance		
REPORT AUTHOR:	Ged Greaves, Corporate Performance Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
<p>This report presents the changes to the Corporate Risk Register since the last monitoring report to the 16 June 2021 committee meeting. It gives details of the risks falling into the 'Very High' category and the associated work being progressed to mitigate the effects.</p>
KEY ISSUES:
<p>Following the review, it is proposed to increase the score for two risks to reflect challenges with supply chains and capacity. There are no proposals to add new risks to the register. The descriptions for three risks have suggested revisions. The target score for one risk is proposed to be increased to reflect the realities of cyber security threats. The register also includes risk actions which evidence the register is used as a management tool for driving improvement.</p> <p>Covid-19 has continued to have a significant impact upon the council's operating environment. The council is focused on delivering its Covid-19 recovery strategy and its response, normalisation and recovery work has had an impact upon all areas of its activities in addition to wider impacts upon the borough.</p>
OPTIONS CONSIDERED:
Not applicable.
RECOMMENDATIONS:
Members are requested to consider the contents of the Corporate Risk Register and confirm agreement with Management Team's assessment of the risks to the corporate business plan/Covid-19 recovery strategy.
REASONS FOR RECOMMENDATIONS:
In order to ensure the council meets its statutory obligations to ensure that it has 'effective arrangements in place for the management of risk'.

REPORT DETAIL

1. Introduction

- 1.1 The Risk Management Policy and Risk Management Strategy covering this reporting period were approved by Council in April 2019.
- 1.2 The Terms of Reference for the Audit Committee include responsibility for monitoring the management of risk. To this end, the committee receives reports on the position of the Corporate Risk Register, with the last one being presented to the committee on 16 June 2021. The latest report is for the period up to end of November 2021.
- 1.3 The Corporate Risk Register is reviewed by Management Team on a 6-monthly basis. Existing entries on the register are considered for changes to the nature of the risk, progress to be reported and any adjustments to the risk scores. Risks that are no longer relevant are proposed for removal and new risks considered in the context of current circumstances are added.
- 1.4 A summary of the changes to the Corporate Risk Register since the last monitoring report are detailed in section 2 below. Details of the 'Very High' risks are given in Appendix 1 together with a list of the 'High' risks.
- 1.5 Each risk on the register is scored in terms of Impact and Likelihood, according to criteria defined within the Corporate Risk Management Strategy. The broad definitions and risk matrix are attached for reference in Appendix 2.
- 1.6 The full Corporate Risk Register, as agreed by Management Team, has been provided to the Audit Committee in hard copy, for reference.
- 1.7 Appendix 3 sets out the corporate risks in score order.
- 1.8 Attached at Appendix 4 is list of risks that have been removed from the register since May 2018.

2. Changes to the Corporate Risk Register

- 2.1 The Risk Management Policy states that to 'ensure it is effective, risk management needs to be aligned with corporate aims, objectives and priorities'. As such the format of the risk register is ordered to reflect the priorities as contained in the Corporate Business Plan. This makes the link between the priorities and the management of associated risks clearer.
- 2.2 Apart from small changes made from a fresh review of the content and updates on progress for various entries, the main changes since the last report are listed below.
- 2.3 Risk rating amendments – higher score
 - 2.3.1 Two risk scores have increased in this update. Covid-19 continues to impact upon the impact and likelihood of vulnerabilities arising. The impact is evident in delays to supply chains and capacity challenges. The probability of vulnerabilities arising continues to be amplified by the virus and its variants.
 - 2.3.2 Two risks have an increased score:

Risk 1.7 - Capacity

Previous score: Moderate/Likely Proposed score: Moderate/*Almost certain*

The probability of the risk materializing has increased as there are current signs of capacity challenges in some activities evidenced by failed or difficult recruitment activities.

The risk would move from amber to red.

Risk 2.9 – Major projects programme

Previous score: Moderate/Likely Proposed score: Moderate/*Almost certain*

As with risk 1.7, the probability of the risk materializing as capacity challenges have arisen from challenges with recruitment, Covid-19 redeployment and availability of skills/expertise.

The risk would move from amber to red

2.4 Risk rating amendments – lower score

2.4.1 There are no proposals to reduce the scores for risks.

2.5 Risks proposed to be added to the register

2.5.1 No risks have been added to the register in this review.

2.6 Risks proposed to be removed from the register

2.6.1 There are no proposals to remove risks from the register.

2.7 Changes in focus of risks

2.7.1 The proposed changes are shown in italics and reflect a change in the national planning policy system.

2.7.2 Risk 1.17 – Financial ledger software implementation *and development*

Current description:

Failure to effectively implement software in accordance with required timescales, resulting in disruption to service delivery, processing times, impact on Council reputation and ability to meet mandatory financial reporting deadlines.

Proposed description:

Failure to effectively implement *and develop* software in accordance with required timescales, resulting in disruption to service delivery, processing times, impact on Council reputation and ability to meet mandatory financial reporting deadlines.

2.7.3 Risk 3.2 – Carbon emissions

Current description:

Failure to reduce the council's carbon emissions and encourage reduction in borough wide emissions by 2050 leading to reputational damage.

Proposed description:

Failure to reduce the council's carbon emissions and encourage reduction in borough wide emissions by 2035 leading to reputational damage.

This change reflects the climate emergency declaration and agreed strategy.

2.7.4 Risk 4.2 – Homelessness Reduction Act 2017

Current description:

Increase in demand results in budget overspend for bed and breakfast accommodation.

Proposed description:

A very small significant number of highly vulnerable complex needs individuals become homeless in a chronic way and be in danger of rough sleeping.

Relatively (to the overall budget) the spend on B&B is small, and in historic context minor.

2.8 Change in target score

2.8.1 Risk 1.14 – Cyber security risk

Previous target: Moderate/Unlikely

Proposed target: Moderate/*Possible*

The proposal is to increase the target likelihood to reflect the realistic situation that the probability of a cyber security risk materializing is likely to be greater given that threats evolve to counter improvements in technology, software and cyber defences.

3. Conclusion

3.1 The Corporate Risk Register continues to be actively monitored by Management Team on a periodic basis.

4 Corporate Priorities

4.1 The Corporate Risk Register is aligned with the previous Corporate Business Plan. Following the development of directorate plans the register will be aligned with the corporate business plan agreed in November 2021.

5 Policy Implications

5.1 The updated register reflects emerging policy development related to climate change.

6 Financial Implications

6.1 The Corporate Risk Register is designed to assist senior management to identify and manage any financial implications identified through normal operations.

7 Personnel Implications

7.1 None.

8 Statutory Considerations

- 8.1 Account and Audit Regulations 2015 - s3(c). The council must ensure that it has 'effective arrangements for the management of risk'.

9 Equality Opportunity Considerations

- 9.1 None

10 Risk Management Implications

- 10.1 The council has in place a Risk Management Policy and Strategy.
- 10.2 The Corporate Risk Register records high level risks which pose a threat or opportunity to the council's objectives. It is a tool used by the Chief Executive and the executive directors (Management Team) to help manage risk across the authority and is a key document within the governance controls applied within the council.

11. Environmental Implications

- 11.1 The risk register includes a number of climate change and environmental risks such as Risk 1.1 - Business continuity, Risk 3.1 - Flood management and coastal erosion and Risk 3.2 - Carbon emissions.

12 Recommendations

- 12.1 Members are requested to:
- a) consider the contents of the risk register;
 - b) confirm agreement with Management Team's assessment of the register:
 - i. Two risk scores are increased (outlined in section 2.3)
 - ii. No risk scores are reduced (outlined in section 2.4)
 - iii. No new risks are added (outlined in section 2.5)
 - iv. No risks are deleted (outlined in section 2.6)
 - v. Three risks are reframed (outlined in section 2.7).
 - vi. One target risk score is increased (outline in section 2.8)

13.0 Declarations of Interest / Dispensations Granted

- 13.1 None.

Background Papers

Previous Corporate Risk Registers reported to Audit Committee
Risk Management Policy and Strategy

APPENDIX 1

Risk name: Capacity

Ref	Description	Mitigation	Progress
1.7	As staffing levels are reduced to a minimum, capacity to cope with major projects, sickness absence and peak holiday periods is compromised resulting in insufficient staff levels to deal with operational matters.	<ol style="list-style-type: none">1. Arrangements with other councils.2. Use of agency and interim staff.3. Improve staff resilience/ cross training.4. Service and management restructures and related recruitment and development.5. Absence management.6. Use of apprentices and intern from UEA (position subsequently established as permanent role).7. Use of external support for Towns Fund business case development and independent appraisal.	Established training regime to enable colleagues to cover for each other's absences. Management restructure implemented January 2020. UEA intern to support climate change footprint and policy development with ongoing links with degree modules for additional project activity (this role has subsequently been established as a permanent position). Response to Covid 19 included temporary cessation of some non-critical services and redeployment of staff to support new activities such as the food hub, calls to residents who were shielding and the vulnerable, support to the Norfolk Resilience Forum and NHS, support for virtual council meetings. Redeployment of staff ending with restoration of services and focus on Covid 19 response/recovery. End of shielding and phased approach for return of staff to their normal office base in line with the Government's roadmap will support return of services/operational delivery to normal levels however some services (frontline and back office) have backlogs and new Government initiatives may require additional capacity. Additional resources to focus

			<p>on communications and enforcement of flytipping. Agreement for additional resources using COMF funding but struggling to recruit and additional difficulties in recruiting to other posts. A number of senior posts have been recruited to in a relatively short space of time.</p> <p>Action: 1. Review recruitment issues, April 22.</p>
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Risk Score:	Score = 15	
Impact	Moderate	3
Likelihood	Almost certain	5

Risk name: Financial plan

Ref	Description	Mitigation	Progress
1.10	Balancing income and expenditure for both Revenue and Capital as set out in the estimates will become more challenging. In addition to the current Covid 19 and economic situations, within which there are significant pressures upon spending and income at both local and national levels , there are known changes needed to funding streams from 2021/22 (due to happen in 2020/21 but delayed a further year by the government), with a move from relying on local taxation rather than funding from Central Government. The current Budget Plan assumes challenging levels of savings in revenue costs and increased reliance on investment in major capital projects to provide future revenue income. There is a possibility that assumptions will not be fully met particularly with the impact of Covid 19 and resultant economic challenges.	<ol style="list-style-type: none"> 1. A review of the costs and provision of all services will continue with the aim of reducing costs and if necessary reduce services to match income. 2. Attendance at consultation updates from LGA / MHCLG. 3. Budgets will be monitored/reported against estimates on a regular basis. 4. Balanced and funded budget to 2021/22. 5. Efficiency Plan and multi-year settlement with Government. 6. Capital and property investment strategy and related monitoring process. 7. Planned and unplanned savings transferred to General Fund balance to adapt to reduction in central government funding. 8. Cabinet and Management Team away days to focus on financial management. 9. Budget presentations to council panels. 10. MHCLG funding related to Covid 19. 	<p>Budget training for members is provided to raise awareness of budget issues. Clarity of the impact of the Fair Funding Review 2020 and Business Rates Retention awaited and remain a concern. Proposals to fund local government via business rates retention reforms remain a risk. Sector and Treasury Management advice in light of uncertainties such as Brexit. Corporate financial model is being developed covering investment schemes. Significant financial impact following outbreak of Covid-19 with Government providing emergency funding of £4m in 20/21 with a further claim due to be submitted against the SFC Scheme. Financial Plan approved by Council in February 2021 which sets out Government Grants announced for 2021/22 with budget gap of £3.4m to address by 2024/25. Cost reduction plan refresh underway. Spending Review published in October 2021 although detail awaited on local government financial settlement. Outturn for 20/21 required a lower draw down of reserves than anticipated which reduces the gap from £3.4 to circa £1m. Undertaking budget setting process to refresh the financial plan for the next 4 years.</p> <p>Action: 1. Revised Financial Plan developed for Cabinet and Council approval, Feb 2022.</p>

Risk Score:	Score = 20	
Impact	Extreme	5
Likelihood	Likely	4

Risk name: Business Rates

Ref	Description	Mitigation	Progress
1.12	The financial plan may be adversely affected as a result of substantial events that affect the Business Rates due to the Council. Such events may be appeals being agreed leading to substantial Rateable Value reductions; reliefs being granted; failure to grow the business rate tax base or closure of a large business; and uncertainty relating to the 75% retention of Business Rates in future.	<ol style="list-style-type: none"> 1. Reserves created for measurable risks and membership of the Norfolk Business Rates Pool. 2. Continue to monitor potential areas of risk and work with LGA where possible. 3. Continue working with major businesses to reduce the possibility of closure. 4. VOA has changed its appeal process - now check, challenge and appeal, which seems to have reduced the number of appeals coming through. although it is still early days with this new process so reserves have been maintained at existing levels. 5. S31 grant provided to offset shortfall in income. 	<p>NHS appeal withdrawn so contingent liability can be removed from statement of accounts. Due to uncertainty of EU Transition compounded by impact of Covid on business rates, a decision was made to collapse the Norfolk Business Rates Pool in 2021/22 with a review to be carried out whether to resurrect it again for 2022/23. Regular updates provided to Government on impact to business rates. Government has compensation scheme in place and has continued to provide financial support to businesses through reliefs and grants. Situation will continue to be closely monitored. Uncertain whether 75% business rates retention scheme will be progressed due to impact from Covid-19 on economy.</p> <p>Action:</p> <ol style="list-style-type: none"> 1. Monitor Government position with business rates retention. 2. Provisional local government finance settlement announced Dec 2021 -ongoing monitoring of impact.

Risk Score:	Score = 20	
Impact	Extreme	5
Likelihood	Likely	4

Risk name: Financial ledger software implementation and development

Ref	Description	Mitigation	Progress
1.17	Failure to effectively implement and develop software in accordance with required timescales, resulting in disruption to service delivery, processing times, impact on Council reputation and ability to meet mandatory financial reporting deadlines.	<ol style="list-style-type: none"> 1. Adherence to agreed procurement procedures. 2. Allocation of appropriate resources to the project. 3. Knowledge, skills and experience of those working on the project. 4. Use of software provider support. 5. Prioritisation of work programme. 	<p>Implementation on 1 April 2020. Numerous issues following system going live which were not apparent during testing causing additional workload when resource is already stretched. Impact of Covid has disrupted team and project capacity and have had to adapt to different working methods. Issues still emerging which divert team resource but also implications for customers that the team are working with. Ongoing issues with processing activity as development time has been limited. The first close down of accounts has taken place within the system environment. A UNIT4 licence review has identified additional users and potential related additional licence costs.</p> <p>Actions:</p> <ol style="list-style-type: none"> 1. With support from procurement, review the future licence arrangement and system roles, Dec 2021. 2. System training programme deployed, May 2022. 3. Finance improvement plan to developed including training, licences, system development, Mar 22.

Risk Score:	Score = 16	
Impact	Major	4
Likelihood	Likely	4

Risk name: Covid-19

Ref	Description	Mitigation	Progress
1.20	Virus results in national and local measures to contain outbreak with consequences for commercial services, service delivery and staff/member well-being.	<ol style="list-style-type: none"> 1. Business continuity arrangements including critical services and "Loss of staff" threat analysis and interventions such as enhanced cleaning regimes, staff rotas, building air-flow, etc. 2. Emergency planning liaising with Norfolk Resilience Forum and structures. 3. Insurance 4. ICT network and capability to support flexible working (tele/video-conferences, working from home and alternative locations, Office 365, Teams, Zoom, Youtube). 5. Digital and telephony access to services to minimise face to face interactions. 6. Lobbying for government support. 7. Covid 19 Recovery strategy. 8. Monitoring data. 9. Prioritisation of services and response. 10. Government funding streams e.g Household Support Fund. 11. Environmental health officers supporting local Track and Trace response and advising businesses. 12. Referral mechanism for staff Covid 19 testing. 13. Ventilation survey and improvements. 14. Staff and manager briefings on 	<p>Large part of CSNN is in Covid response. Household Support Fund being delivered. Homelessness critical and Everyone In active. Supporting hospital with District Direct and hospital discharge. Provide staffing to administer the Household Support Fund for next 6 months to help vulnerable people and with accessing work. Test and trace still active. Ongoing monitoring returns for Govt, monitoring COMF spending and returns, processing grants, test and trace. Internal Audit moved back to Kings Court. Expectation of BAU and catch up but still dealing with pandemic response. External Audit - impacted by resource capacity going on into next financial year. BAU debt recovery for Revs and Bens, commercial recovery evictions delayed to April 22 and payment plans in place. Homelessness strategy work ongoing, rough sleeper funding directed towards Everyone In including capital funding (Next Steps/ARSAP accom programme). Anticipating dialogue on housing funding and support being part of devolution deal for Norfolk. Cabins in place with recurring costs pending transition to new operating model for support services/innovative accom provision. Redeployment of staff within corp projects and procurement now returning to normal roles. Supply chains remain unstable but some signs of easing. Prices stabilising and supplies available, anticipate correction but not sure when. Lockdown and furlough will prolong challenges. Vaccination programme ongoing with boosters. Hospitalisation rates lower than in 2020/21 although monitoring impact of new Omicron variant. Continued with internal measures over and above national guidance. Encouraging vaccinations and</p>

		<p>Covid-19, absence management, working practices.</p>	<p>booster jabs e.g. worry bus. Telephone spot check with national H&S Exec re: Covid 19 mitigation measures in buildings. Unannounced spot checks. Corp H&S guidance issued to ADs with responsibility for buildings. Training for managers rolled out, signage and comms rolled out. CO2 monitors installed throughout KC in targetted locations informed by ventilation survey.</p> <p>Actions:</p> <ol style="list-style-type: none"> 1. Provide ongoing support and staff for multi-agency Covid-19 response, Mar 2022. 2. Ongoing Covid-19 safe measures in workplace, Mar 2022. 3. Review of hybrid working policy, Mar 2022.
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Risk Score:	Score = 20	
Impact	Major	4
Likelihood	Almost certain	5

Risk name: Local employment

Ref	Description	Mitigation	Progress
2.1	<p>The ability to attract new investment could be adversely affected by potential barriers in the local economy such as availability of premises, levels of skills in the workforce and related low value work.</p>	<ol style="list-style-type: none"> 1. Delivery of an Enterprise Centre and implementation of skills & training initiatives with partners and business sectors. 2. The opening up of employment land at Hardwick and Campbell's Meadows in KL and at St John's Business Estate in Downham Market. 3. Information packs on the local area and to aid recruitment are provided on request. 4. Maintain regular contact with Department for International Trade and market investment opportunities with them. 5. Effectively handle enquires received direct, whether from inside or outside the Borough. 6. Active involvement with New Anglia LEP and Greater Cambridge Greater Peterborough LEP. 7. Enterprise Zone development. 8. Use of external funds to de-risk developments. 	<p>Project funding targeted at raising attainment in local schools from Second Homes money. Land at Downham Market and NORA is actively marketed. The King's Lynn Innovation Centre (KLIC) has high occupancy. A marketing plan for the Nar Ouse Business Park Enterprise Zone implemented. Gas main diversion completed. Nar Ouse site infrastructure & Phase 1 premises construction progressing. LEP financing helps to de-risk the development. Engagement with the BID. Early interest shown by several local companies seeking to expand. Ongoing uncertainty arising from Covid-19 and EU transition may delay company investment decisions. Pre-Covid 19, unemployment rate was at a low level but has risen with economic impact of Covid 19 although the claimant rates has subsequently fallen following the lifting of restrictions and end of furlough in Sept 2021. H&M store opened Nov 2019 adding to the town centre offer but Covid-19 has led to store closures. Management restructure strengthened focus on regeneration. External funding being progressed via sources such as High Street Heritage Action Zone and Town Fund. National measures contained in Chancellor's statement on 8 July 2020 announcing investment in skills, creating jobs, apprenticeships and opportunities for young people and measures to support retail, hospitality and tourism sectors such as VAT reductions, contributions towards dining out, etc. Economic recovery strategies at borough, county and LEP areas. Some businesses have large numbers of vacancies circa 20%. Supply chain issues and labour force issues with pandemic and EU Transition. New businesses enquiries being received and a role to open up new allocated employment land in Borough. Pressures upon resilient supply chains as labour rates elsewhere become</p>

			<p>more attractive.</p> <p>Actions:</p> <ol style="list-style-type: none"> 1. Local Plan review - employment land (current allocated land is unviable due to need to raise levels). 2. Ongoing monitoring of Levelling Up proposals and support to increase the numbers of people to fulfill roles at all skill levels post-Covid/EU Transition, Mar 22 3. Apprenticeships/ training programmes encouraged within major housing contracts and sub-contractors, Mar 22
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Risk Score:	Score = 16	
Impact	Major	4
Likelihood	Likely	4

Risk name: Empty retail properties / town centre decline

Ref	Description	Mitigation	Progress
2.2	Loss of town centre businesses leads to a continued downward spiral resulting in long-term depression of the towns.	<ol style="list-style-type: none"> 1. Continued support to businesses through hardship relief. 2. Active management of lettings and promotion of a positive image of the town to potential businesses. 3. Initiatives to promote the town to visitors, shoppers and businesses. 4. Town Centre Partnership/BID. 5. Transport and town centre studies. 6. Bids for external funding such as Town Fund, Future High Streets Fund. High Street Heritage Action Zone. 7. Improvements to key access roads and junctions. 8. Management capacity. 9. Covid 19 response to reopening high street 10. Payment plans for commercial tenants 11. Change in use class Order E. 12. Town Investment Plan. 	<p>National retail statistics indicate reductions in town centre footfall compounded by ongoing economic uncertainty, Covid-19 concerns and behavioural shift to online shopping. Range of national retailers and hospitality businesses reducing their operations. Government policies and funding streams such as Eat out to Help Out and VAT reductions temporarily supported town centre activity with Covid-19 roadmap easements providing further stimulation.</p> <p>Some developments have misunderstood the market's requirements. Initiatives to promote the town, opportunities to improve new housing delivery in the town centre.</p> <p>Actions:</p> <ol style="list-style-type: none"> 1. Actively identifying opportunities to repurpose vacant retail units including conversion to residential and creating flexible pop up retail opportunities for micro-businesses/niche retailers plus community based organisations, Mar 2022 2. Developing business cases for Public Realm improvements, Town Centre Repurposing and Riverfront, June 2022.

Risk Score:	Score = 16	
Impact	Major	4
Likelihood	Likely	4

Risk name: Major Projects Programme

Ref	Description	Mitigation	Progress
2.9	The failure to deliver the programme of major projects to its approved parameters impacts upon the council's finances and delivery of council services. A major project being any approved property project that can cause significant financial, legal, reputational or compliance issues or prevent the council from delivering a priority or key objective.	<ol style="list-style-type: none"> 1. Project management principles applied with use of briefs, PIDs, risk, etc. 2. Officer Major Projects Board for approval of projects and oversight of delivery and involving senior officers representing key disciplines. 3. Member Major Projects Board oversight with updates to Audit Committee. 4. Use of external professional advisers on technical and professional matters e.g. architects,engineers, etc. 5. Broad programme agreed by Cabinet with updates via Cabinet briefings and to portfolio holders. 6. Due diligence undertaken on investments, partnerships, third parties, etc and recorded in contracts, reports, etc. 7. Skills development for project delivery teams. 8. Use of external funds to de-risk developments. 9. Change control logs, risk registers on Major Housing Projects. 	<p>Risks and mitigation measures identified in project documents.</p> <p>Officer and Member Major Projects Boards provide oversight and assurance.</p> <p>Due diligence checklist in development covering site, legal, financial, communications, resource issues and development options. Wide range of external funds to de-risk development financing such as Future High Streets Fund, Town Fund, Business Rates Pool, Accelerated Construction Programme, Coastal Revival Fund, etc. Change in focus of funding appears directed to 'shovel-ready' projects. Implications of Covid-19 impact on council's financial resources resulting in review of budgets and capital programme and re-prioritising projects to ensure sustainable, affordable programme going forward. Labour market challenges leading to potential risks around availability of required skills/competency/experience when recruiting e.g. project management.</p> <p>Action:</p> <ol style="list-style-type: none"> 1. Consider succession planning, apprenticeships, etc as a future approach to minimising risks, Mar 2022.

Risk Score:	Score = 15	
Impact	Moderate	3
Likelihood	Almost certain	5

Risk name: Provision of leisure and cultural services

Ref	Description	Mitigation	Progress
6.1	Alive West Norfolk does not perform to expectations and business plan.	<ol style="list-style-type: none"> 1. Due diligence; financial and legal arrangements. 2. Legal advice and technical expertise bought in where required. 3. Project board established. 4. Strategy, business case, business plan development and management of project risk register. 5. Stakeholder engagement. Communications support. 6. Consideration of VAT issues arising from a change in delivery model. 7. Reports to Cabinet (5 Feb 2019) and Environment and Community Panel (22 Jan 2019) with regard to the transfer of the Leisure Services operation from ALT to the Council. 8. Heads of Terms agreement agreed and aiming for 1 July 2019 handover. 9. Alive West Norfolk council wholly owned company established and directors appointed. 10. Financial ledger for new company. 11. Contract monitoring role within 2019/20 management restructure. 12. Furloughing of staff in response to Covid 19 13. Revised business plan responding to Covid 19 14. AWN Strategy agreed by AWN Board 	<p>Company operational July 2019. Internal Audit reviewing project to identify gaps. Contract monitoring resource being introduced within the council's management restructuring in late 2019. Significant impact arising from Covid 19 and closure of facilities. Construction delayed on Corn Exchange cinema - revised completion and opening 25 Sept 2020. Lockdown easements with reopening of facilities from 6 Apr 2021, 12 Apr 2021 and 17 May 2021 subject to Covid-19 safety guidelines and Government roadmap. Confirmation of Government partial compensation for loss of income. Alive Corn Exchange awarded £247,690 from Government's Culture Recovery Fund. Anthony Collins Solicitors commissioned to review the governance of the council's wholly owned companies. Presentation by AWN to E&C Panel on 4 Jan 2022.</p> <p>Action:</p> <ol style="list-style-type: none"> 1. Council companies review considered by Corporate Performance Panel and Cabinet, Mar 22

		<p>April 21 15 AWN Operational plan aligned to Strategy April 21 16 AWN High Level Business Plan to AWN Board Dec21 17 National Leisure Recovery Grant of £636k used to support AWN during 20/21 18 Culture Recovery fund of £223k used to support AWN during 20/21</p>	
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Risk Score:	Score = 20	
Impact	Major	4
Likelihood	Almost certain	5

Risks categorized as 'High Risk' (Score 10-12)

Ref	Title	The risk that:	Score
1.1	Business continuity (Internal) Including loss of staff and loss of King's Court	The Council is unable to meet its obligations as a Category 1 responder under the Civil Contingencies Act 2004 which requires that the Council has effective, organisation wide plans based on risk assessment. In addition, the Council appears to be ineffective in times of emergency.	12
1.14	Cyber security attack	Data and systems could be compromised by way of ransomware, virus and / or phishing attacks.	12
1.2	Cost Reduction Programme (staff morale & members' expectations).	The process of cost reduction programme necessary to assist the Cabinet to meet the future budget shortfall could lead to a drop in staff morale and consequently an increase in sickness absence. Members may not fully realise the impact of the necessary budget cuts on the level of service delivery.	12
1.4	Due diligence	Increasing pressure on the Council to find alternative ways to deliver service objectives means that new, innovative projects are being considered, which may not generate savings as anticipated or have sufficient staff resources with the required skills to deliver.	12
1.8	Fraud and corruption	The Council, like any other organisation, is vulnerable to fraud and corruption. The Council suffers a loss and/or reputational damage.	12
2.3	Major housing developments	Local opposition may result in planning permission not being obtained for the development, leading to contractual problems with the developer.	12
2.4	5-year land supply and housing delivery and housing delivery test	The Government or the Planning Inspectorate does not agree that the Council has identified an adequate supply of land designated as housing development land for the next 5 years, or has not delivered against the nationally set target of homes to be built every year, and consequently this will lead to development approved in areas that the Council does not want developed.	12
2.6	Strategic land and property acquisition	The Council has a finite amount of land/properties in its portfolio which will limit future opportunities for development/investment and associated financial return.	12
2.8	Accelerated Construction Programme	Delivery breaches agreed contract terms with Homes England.	12
3.2	Carbon emissions	Failure to reduce the council's carbon emissions and encourage reduction in borough wide emissions by 2035 leading to reputational damage.	12
5.2	Council Reputation	An avoidable incident occurs which could result in the council's reputation being adversely affected, resulting in loss of confidence from the public. Such incidents could relate to HMO's, food safety, leisure activities, asbestos, legionnaires disease. A failure to identify and mitigate risks associated with contracts.	12
6.2	Emergency response (External)	The Borough is vulnerable to the effects of flooding and it is anticipated that the local area will be flooded at some stage.	12
6.3	Health and Safety	Compliance with Health & Safety legislation relevant to the Council's activities is a mandatory requirement. Failure to comply with H&S requirements can lead to injury and ill health to employees and the public at large who might be affected by Council activities. Compliance failure can also lead to enforcement action by the Health and Safety Executive.	12

APPENDIX 2 - After November 2021 review

LIKELIHOOD

5 Almost Certain	(Green)	(Orange)	(Red) 1.7, 2.9	(Red) 1.20, 6.1	(Red)
4 Likely		(Green)	(Orange) 1.2, 2.4, 5.2	(Red) 1.17, 2.1, 2.2	(Red) 1.10, 1.12
3 Possible		(Green) 4.1, 4.3	(Green) 1.3, 1.9, 1.13, 1.15, 1.16, 1.18, 2.5, 2.7, 4.2, 5.3	(Orange) 1.1, 1.4, 1.8, 1.14, 2.3, 2.6, 2.8, 3.2, 6.2, 6.3	(Red)
2 Unlikely			(Green) 1.5, 1.11, 5.1	(Green) 1.6, 1.19, 3.1	(Orange)
1 Rare					(Green)
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme

IMPACT

Risk Category	How the Risk should be managed
Very High Risk (15 – 25) (Red)	Immediate action required. Senior Management must be involved.
High Risk (10 – 12) (Orange)	Senior Management attention needed and management responsibility specified.
Medium Risk (5 – 9) (Green)	Manage by specific monitoring or response procedures. Responsibility to be allocated by Management Team to a named Service Manager.
Low Risk (1 – 4) (White)	Manage by routine procedures, unlikely to need specific or significant application of resources.

APPENDIX 3 - Corporate risks in score order

Ref	Title	Score
1.10	Financial plan	20
1.12	Business Rates	20
1.20	Covid 19	20
6.1	Provision of leisure and cultural services	20
1.17	Financial ledger software implementation and development	16
2.1	Local employment	16
2.2	Empty retail properties / town centre decline	16
1.7	Capacity	15
2.9	Major projects programme	15
1.1	Business continuity (Internal) Including loss of staff and loss of King's Court	12
1.14	Cyber security attack	12
1.2	Cost Reduction Programme (staff morale & members' expectations).	12
1.4	Due diligence	12
1.8	Fraud and corruption	12
2.3	Major housing developments	12
2.4	5-year land supply and housing delivery and housing delivery test	12
2.6	Strategic land and property acquisition	12
2.8	Accelerated Construction Programme	12
3.2	Carbon emissions	12
5.2	Council Reputation	12
6.2	Emergency response (External)	12
6.3	Health and Safety	12
1.13	Channel Shift	9
1.15	Pay Policy	9
1.16	General Data Protection Regulations (GDPR)	9
1.18	Conflicting aims (with Partners)	9
1.3	Reputation management	9
1.9	VAT	9
2.5	Housing market	9
2.7	West Winch/North Runcton Strategic Growth Area	9
4.2	<i>Preventing homelessness</i>	9
5.3	Improvements to heritage buildings	9
1.19	Mobilisation of new Waste and Recycling Contract	8
1.6	ICT failure of backup	8
3.1	Flood management and coastal erosion	8
1.11	Pension Fund	6
1.5	Loss of ICT	6
4.1	Modern Slavery	6
4.3	New regulations regarding HMOs	6
5.1	Community Relations	6

APPENDIX 4 - Corporate risk removed from the register

Title	The risk is that:	Risk removed
VAT - Trust arrangements	If subject to an audit, HMRC may not agree that the model used to establish the new leisure arrangements is valid in respect of claiming VAT exemptions.	Jun-19
Revenues and Benefits software tender	Failure of tender process to procure an appropriate software solution and/or the ability to effectively implement new software in accordance with required timescales, resulting in disruption to service delivery, processing times and impact on Council reputation	Jun-19
Fire compartmentalisation	Elements of King's Court are declared unsafe for habitation based on a fire safety assessment by either the Crown fire officer or BCKLWN's fire officer.	Jun-19
THi 2 Application to the Heritage Lottery Fund	Important parts of King's Lynn continue to be in a dilapidated state giving a very poor image of the town	Jun-19
Waste and Recycling Contract	The Council will not have the required vehicles or manpower to supply waste collection services if Kier, who currently have the contract to provide the service, terminate the contract at short notice.	Oct-18
King's Court	Relocation of partner organisations into King's Court risks disruption to and potential loss of/impact on services currently delivered from the site. There is also the risk of loss of income/higher implementation costs associated with moving external teams into the building.	May-18