Risk Management

Assistant Director Governance / Monitoring Officer
Alexa Baker

Borough Council of
King's Lynn &
West Norfolk

We listened to your views – too wordy

Description: Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases.

Existing Mitigation and Controls	Planned mitigating actions
Cost management and income generation 1. Actively involve staff and Members in designing the cost management and income generation programme. 2. Maintain open channels of communication on plans/ proposed changes. 3. Keep staff and members informed of how the budget reductions are being managed. 4. Budget monitoring reports. 5. Finance is a standing item on Senior Leadership Team and Cabinet Briefings to align with the annual financial estimates cycle. Financial Plan 1. A review of the costs and provision of all services will continue with the aim of mitigating costs where possible and other opportunities to improve the financial position. 2. Attendance at consultation updates from LGA / DLUHC / CIPFA. 3. Budgets will be monitored/reported against estimates on a regular basis. 4. Balanced and funded budget to 2024/25. 5. Capital and property investment strategy and related monitoring process. 6. At year end, planned and unplanned savings transferred to General Fund balance to adapt to reduction in central government funding. 7. Cabinet and SLT away days to focus on financial management. 8. Budget presentations to council panels. 9. Approach to budget setting and workshop themes (reviewing fees and charges, income generation, salaries, community benefit and staff engagement) including wider engagement with elected members. 10. Reviewing earmarked reserves to ensure we have sufficient funds to deliver corporate objectives. Pension Fund 1. 3 year valuation and 30 year plan. Next review 2025/26. 2. We have taken advantage of the one of lump sum in 2022/23. Because from the Pension Fund's aspect the council's funding strategy is classed as being ongoing, and a very long time horizon (30+ years) and is a secure employer, the Pension Fund can allow the Council to make stabilised contributions, which in effect smoothes the contribution profile so that it isn't subject to great peaks and troughs in contribution rates. The council can then budget with more certainty and consistency. One-off lump sum payments can also be paid at the start of the 3 year valuation period which secures savings for	Cost management and income generation 1.Cost management plan proposals in progress. Initial discussion between Cabinet and SLT, Oct 2023. ToR to be approved by SLT and report to transformation board, March 2024. Staff engagement sessions held, recommendations from PR action plan to inform CMIG plan. 2. 5% saving target will be supported by CMIG plan. Financial Plan 2. Approach to budget setting and workshop themes being developed including wider engagement with SLT and elected members. Outline timetable for this work. Completed 3. Dates to be agreed for Non-domestic rate payer consultation, IDB meetings, member briefings and presentations, staff presentations ahead of Council Feb 2024. Completed. PR action plan content to consider, wider public consultation and plan, engagement to be started earlier. New timetable to be developed bringing timescales for financial plan forward. Pension Fund 1. Attend relevant briefings and workshops as required to understand announcements on Government funding and policy. Ongoing. Business rates 1. Monitor Government position with business rates retention. Ongoing 2. Provisional local government finance settlement announced Dec 2023 - changes implemented e.g. multiplier rate uplifted and billing updated. Ongoing monitoring of impact. 3. Monitoring of new legislative programme and announcements. Ongoing. 4. Attendance at relevent seminars and briefings. Ongoing. 5. Consideration of entering Business Rates Pool in 24/25. Entered into BR Pool. Consideration of plans for 25/26. Ongoing. Council Tax 1. Legislation enabled additional schemes e.g. CT empty homes 1 apr 24, 2nd homes apr 25. Ongoing. Rapidly rising costs (is it relevant) 1. Review and monitoring of costs and programmes/projects. Ongoing. 2. Seeking external funding for projects e.g. Funding for Guildhall project. Ongoing. 3. Post project monitoring and reporting of ReFIT framework and PSDS projects. Ongoing. Audit on PSDS and responding to requirements.

Description: The inability of the council to facilitate and enable the market to deliver the council's growth agenda. This failure may reduce investment in infrastructure, inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses.

Existing Mitigation and Controls	Planned mitigating actions
Local employment 1. KLIC and related skills & training initiatives with partners and business sectors. 2. The release of Council owned 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. 7. Enterprise Zone development. 8. Use of external funds to de-risk developments. 9. Gas main diversion completed at Nar Ouse. 10. Towns Fund Youth and Retraining Pledge project. 11. Norfolk Devolution Deal. 12. UK Shared Prosperity Fund and Rural England Prosperity Fund. Empty retail properties/town centre decline 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, Levelling Up, etc. 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. 13. Brownfield land within town centres released for housing. 14. Towns Fund approved business case for Active and Clean Connectivity, Public Realm improvements, Guildhall, MUCH and Riverfront. 5 year land supply, housing delivery and housing delivery test. 1. 5 year plan (subject to delivery of Parkway and Lynnsport 1 developments). 2. Work on the LDF to ensure the Council can evidence that sufficient land is available.	Local employment 1. Local Plan review - employment land (current allocated land is unviable due to need to raise levels). Ongoing. 2. Ongoing monitoring of Levelling Up proposals and support to increase the numbers of people to fulfil roles at all skill levels post-Covid/EU Transition. Ongoing. 3. Apprenticeships/ training programmes encouraged within major housing contracts and sub-contractors, Mar 22. BCKLWN appointed 1 trainee. Ongoing. 4. Explore options for innovation centres, advanced manufacturing centres of excellence, etc through Government funding. Ongoing. 5. Shared Prosperity Fund and development of West Norfolk Investment Plan to improve work-based skills programme. Implementation ongoing. Final year 2024/25 of SPF funding prior to transfer to NCC (subject to devo deal), influencing priorities for investment, agreed by Cabinet e.g. funding Boost project. 6. Consideration of Youth and Re-Training Pledge Project and broader role going forward. Ongoing. Empty retail properties/town centre decline 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. Ongoing. 2. Implementing approved business cases for MUCH, Guildhall and Riverfront. Ongoing 3. Explore alternative purposes for King's Lynn Town Centre - Town Investment Plan viewing the town centre as a multi-purpose destination rather than just retail. Ongoing. 4. Development of the car parking strategy. Ongoing. 5. Levelling Up Fund (LUF) submission for replacement of Oasis, Hunstanton. Unsuccessful bid and Govt allocated funding to areas unsuccessful in round 2 of Levelling UP, options under review. 6. Proposals submitted for DLUCH and Devolution funding. Ongoing. 7. High Streets taskforce project. Ongoing. 5 year land supply, housing delivery and housing delivery test 1. Supporting the Local Plan review process. Ongoing. Housing market

Description: The risk of various communities within the borough feeling excluded, disengaged or being unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health and wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of Covid-19 global pandemic on BCKLWN communities.

Existing Mitigation and Controls	Planned mitigating actions
Community relations 1. The Council works closely with partner agencies in the area to make sure that any issues are identified and effectively tackled as soon as possible. 2. External funding bids with partners. 3. Agreement with Shelter. 4. PREVENT task group and workstreams. 5. Prevent awareness training provided to employees. Preventing homelessness 1. Staff capacity. 2. ICT development to support case management. 3. Support commissioned from voluntary and community sectors. 4. Partnership and network arrangements. 5. Communications support. 6. Accommodation options improved by Broad Street. 7. Reduction in working age population. 8. Housing Market Assessment to be undertaken, Dec 2023. Ongoing. Conflicting aims (with partners) 1. Clarify and agree with partners what the common targets are and how achievement of them will be recognised. 2. Terms of Reference or SLA's are agreed for each group to define the aims and respective roles and focus on core services plus specific projects. 3. Ensure active participation on relevant Boards/ Groups. 4. Norfolk Resilience Forum response and recovery work. 5. King's Lynn Town Deal Board and Local Assurance Framework. 6. Hunstanton Advisory Group established. 7. King's Lynn Town Deal Skills Forum. 8. Shared Prosperity Fund stakeholder groups established. 9. Norfolk Climate Change Partnership. 10. Health and Wellbeing Partnership established and terms of reference agreed.	Community relations 1. Housing availability for vulnerable residents. Ongoing. Preventing homelessness 1. Asylum seekers - potential placings under review, Mar 2022 2. Consider impact of proposed legislation on second homes (Review impact of second homes measures and exemptions within the Levelling Up Bill). 3. Consideration to be given to re-examining social housing provision and exploration of measures to mitigate the reduction in private rented sector capacity. Refocus efforts on providing additional social and private rented housing. Now considering acquiring housing from third parties for both affordable and PRS given the acute need for both tenures. Ongoing. 4. Refresh housing needs assessment, Spring 23 5. Identification of additional temporary accommodation with Freebridge. 6. Measures with Freebridge to support quick void turn around. 7. Reid Way - 7 new units to be developed. 8. Financial help to access private rented sector. 9. Winter preparedness plans. Conflicting aims (with partners) 1. Ensure comms focusing on neutral and factual stance and related to implementation of Govt policy. Ongoing 2. Work with Hanseatic Union to implement and provide measures to support refugees and support in a neutral way. Ongoing 3. Internal comms to be mindful of potential for tensions should the Council be perceived to be biased. Ongoing. 4. Consider contingency plan for potential loss of Fenland care and repair contract. Dec 2022. Ongoing. 5. Consideration for potential loss of Household Support Fund. Ongoing. 6. Introduction of revised Council Tax support scheme. Ongoing.

Examples of risk registers

Risk Title	Common consequences	Likelihood	Impact	Overall Risk Rating
Influenza-type pandemic	· Potential illness and loss of life. · Greater demand on health and social case systems; vulnerable people may receive lower levels of required care. · Staff shortages, causing disruption to emergency services, shop closures and food shortages.	4	5	
Emerging infectious diseases	· Large numbers of deaths or injuries, with places needed to help hospitals deal with an increased number of patients and mortuary spaces so that people can be treated with dignity. · Disruption to public services such as school closures, bin collections and welfare payments. · Significant disruption to all sectors of society.	4	4	
Industrial action (fuel)	· Loss of/disruption to essential services. · Disruption to business through lost working hours. · Possible public order challenges. · Economic damage.	4	4	
Surface water flooding	· Potential injury and loss of life. · Damage to homes, businesses, agricultural land, roads and other infrastructure, leaving behind polluted or contaminated silt or rubble. · Loss of/disruption to essential services. · Evacuation from homes and/or the area. · Long-term restoration and recovery, affecting personal health and wellbeing. · Businesses, especially those related to tourism, may face significant difficulties.	4	4	
Failure of the national electricity transmission system	· Loss of/disruption to essential goods and services, including food and transport. · Closure of businesses, schools or public buildings.	3	5	

Borough Council of
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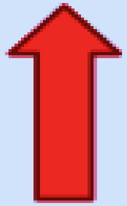
Corporate Risk Register 2024/25 Q1

Risk Area	*Owner (CD / HoS)*	*Existing Controls*	*Previous and current risk scores and direction of travel*	*Emerging risks & opportunities*
1. **Change Management** **<u>Headline risk</u>** Organisational cultures and other barriers impact on ability to manage and implement change effectively. **<u>Specific risks</u>** • Ineffective employee engagement and buy-in to new delivery models affects delivery objectives as people do not have the right skills to deliver project outcomes resulting in a demotivated workforce. • Insufficient capacity, skills and expertise to deliver reform programmes, successfully establish traded services and complex change, resulting in further pressure on existing services and increased costs.	Corporate Leadership Team (Gill Lawton)	• 4 core values that run through everything we do and are known as the Stockport way of doing things. As an organisation we stay true to them no matter what challenges we face. • Revised and streamlined Programme Governance developed. • A management tool has now been procured and is being embedded across the organisation. This tool is supporting a greater cross-cutting view of projects and programmes and will over the medium to longer term facilitate improved benefit tracking. This is also supported by a series of approval mechanisms to ensure understanding of the breadth of projects or programmes within delivery, this includes: regular (e.g.	**L3x I3** **Medium**  **Continued pressures on the Council and its workforce bring risk to significant change programmes. The scale of the savings challenge is increasing meaning the impact of not delivering effective**	• Significant pressures across the organisation – balancing ongoing pandemic recovery, MTFP, responding to key national and regional policy announcements, delivery of local ambitions and priorities. • Core transformation resource is limited with temporary funding providing additional support. • Updated MTFP includes proposals that, across the entire programme, including partner organisations, could equate to a redution of posts. This will largely be manged through vacancy management However reductions could impact the ability to deliver effective transformation including culture change. • Establishing clear overall programme governance and reporting of risk to programme delivery and resource prioritisation.

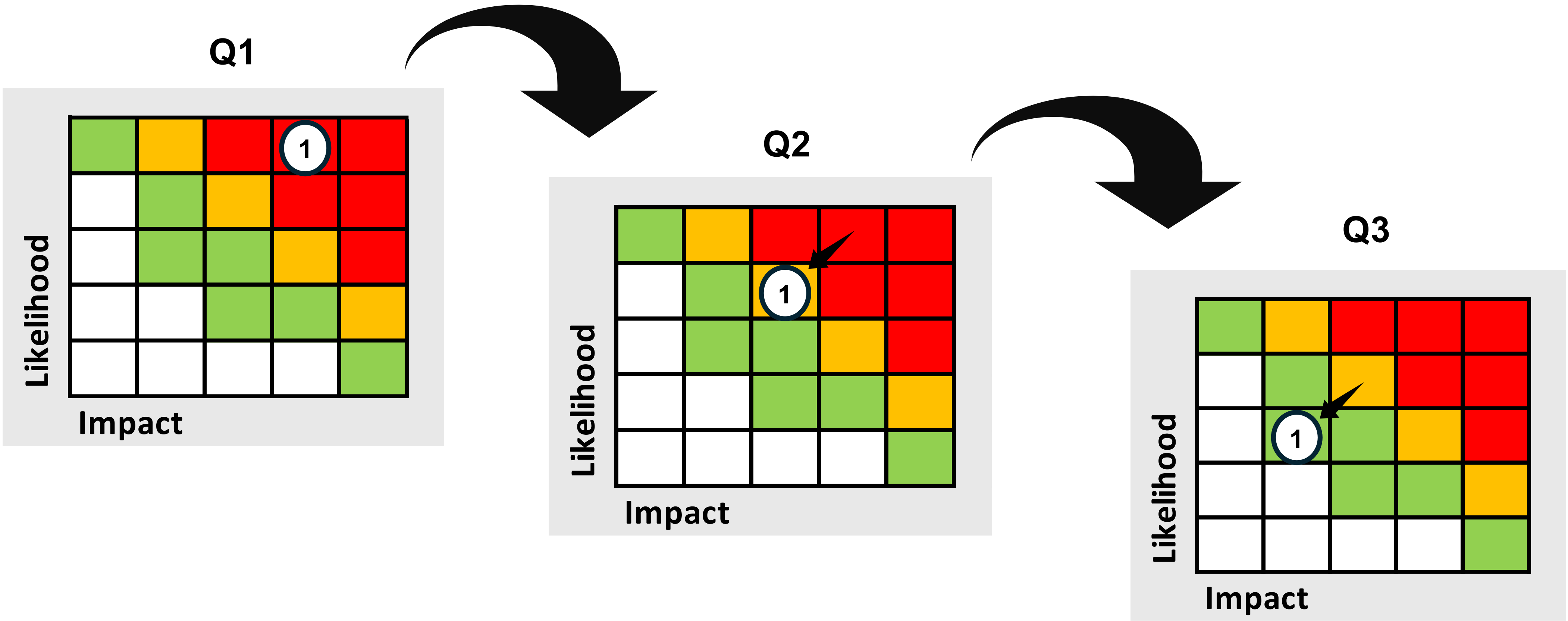
Risk ID Rating	Sub-Category Lead	Description	Likelihood	Impact	Controls in Place	Last/ Next Review
R76	Systems Failure LFB	**National Electricity Transmission** A total national blackout due to the loss of the GB National Electricity Transmission System caused by damage to or technical failure of the transmission network. The technical recovery process (Black Start) could take up to 5 days; however, there is the potential for wide area power disruptions for up to 14 days, potentially affecting millions of consumers.	3	5	Testing and maintenance regime. London Power Supply Disruption Plan EDF Energy System Emergency Plan EDF Emergency Communication Plan EDF Black Start Plan Business Continuity Plans for Category 1 & 2 Responders, businesses, and other key organisations. London Power Supply Disruption Plan Major Incident/Emergency Plans for Category 1 & 2 Responders.	Sept 2022/

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score I x L	Existing Controls	Residual Risk Score and change of direction	Action (to achieve target score)	Target Score	Progress update	Lead Officer
Council: Opportunity: 3 Increasing the rates of occupation on all council's commercial properties	1. Deteriorating/ underused property assets. 2. Lack of funding to repair and maintain assets and increased maintenance costs. 3. Loss of revenue / legal liability/ not achieving value for money /reputational risk / capital commitment 4. Primary - A Financial, Secondary - H Reputational 5. High appetite for a range of asset classes, property and longer-term investments, subject to careful due diligence and an emphasis on security as well as matching with the Council's required liquidity profile	3 x 4 = 12	Business cases for commercialisation of assets to deliver future income and efficiencies. Adequate budget provision both from revenue and capital to support R&M works and capital investment Asset Condition Surveys. Compliance policies in place and up to date. Compliance works undertaken in a timely fashion. Adequate staff or appropriately qualified external contractor support.	3 x 3 = 9 →	Production, approval and implementation of the Asset Management Plan	2 x 2 = 4	The Asset Management Plan is being prepared and reviewed in the light of LGR. Currently recruiting a Surveyor. Resources are being allocated temporarily from the Property Services Team to the Estates and Assets team to set up leases for beach huts and chalets.	Daniel King

New look Risk Register

- See Appendix A and Appendix B
- Consulting Audit Committee on 3 July
- Replicated on Breckland Council's who also use the new Ideagen system
- CLT and Audit Committee would receive executive summary reporting of the movements

Risk journey

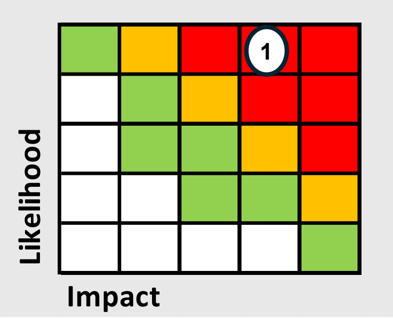


Data available on system

SR1 - Financial sustainability

Ineffective management of finances leading to a lack of financial resilience as government funding reduces, costs increase and demand increases.

Risk owner	Michelle Drewery, Deputy Chief Executive & S151 Officer



Likelihood = Almost certain
Impact = Major

Current score	**20 (4x5)**	**Last reviewed**	Dec 2024
Unmitigated score	**25 (5x5)**	**Next review**	April 2025
Target score	**6 (3x2)**	**Target date**	TBC
Previous score	**20 (4x5)**	**Origin date**	Aug 2022

Triggers	Likelihood factors (vulnerabilities)	Potential consequences
• Government funding and settlement. • Wider economic issues such as inflation and interest rates. • Business rates retention. • Emerging policy. • Utility costs.	• Ineffective management of finances • Inflation • Reducing government funding/Government settlement below anticipated levels. • Rising demand for services • Rising interest rates	• Lack of financial resilience. • Section 114 notice and intervention • Reputational damage • Inability to deliver a strategic priority or key objective. • Non-statutory service delivery reduced or ceased.

Latest note:

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Key Risk Indicators (KRI) and Key Control Indicators (KCI)	Name	KRI or KCI	Current period	Previous period
	Unachieved Income Targets (REF 3.7-3.10)	KRI		
	Failure to Reduce Revenue Expenditure (REF 3.6)	KRI		
	Collection Rates for Council Tax and Business Rates (REF 3.9 & 3.10)	KRI		
	No of fraud/corruption investigations, including data matching (REF 3.13)	KRI		

Key Controls	Type (Preventive, Detective, Corrective)	Adequacy
Regular budget monitoring and reporting	P, D	TBC
Balanced and funded budget planning	P, C	TBC
Review of earmarked reserves	P, D, C	TBC
Cost recovery and income generation plan	P, C	TBC
Capital and Property Investment strategy	P	TBC
MTFS and Treasury advice	P, D	TBC

Action Plan	Responsibility	Target date
TBC		

Risk Scoring and Matrix

LIKELIHOOD

5 Almost Certain	(Green)	(Orange)	(Red)	(Red)	(Red)
4 Likely		(Green)	(Orange)	(Red)	(Red)
3 Possible		(Green)	(Green)	(Orange)	(Red)
2 Unlikely			(Green)	(Green)	(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.

Example

Home › Objectives ›

OBJ-3 - Ensure we have and maintain the best people in our business Active

Options

Strategic Objective agreed by the board for all countries

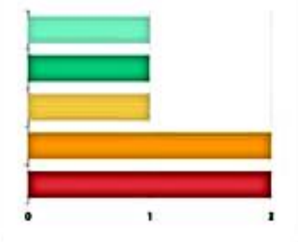
Type	Location	Process	Owner	Team
Strategic Objective	London	Management	DG Duncan Graham	None

Summary

Risk score

Assessments: Default

Assessments by banding



Risks Controls Tests Actions Notes

Risks

Add Risk

Search | Location: None | Process: None | Type: None | Status: Draft, Active | 1 filter applied | Clear

Title	Location	Process	Type	Residual Assessment	Status	Actions
RSK-6 - People risk: Staff are not trained and competent for the role they perform	London	Management	Operational		Active	
RSK-7 - People risk: Resourcing levels are not compatible with business volume	London	Management	Operational		Active	
RSK-8 - People risk: Retention	London	Management	Operational		Active	
RSK-9 - People risk: Staff are not trained and competent for the role they perform	London	Management	Operational		Active	
RSK-10 - People risk: Key Person	London	Management	Operational		Active	
RSK-11 - People risk: Resourcing levels are not compatible with business volume	London	Management	Operational		Active	
RSK-12 - People risk: Multiproduct	London	Management	Operational		Active	

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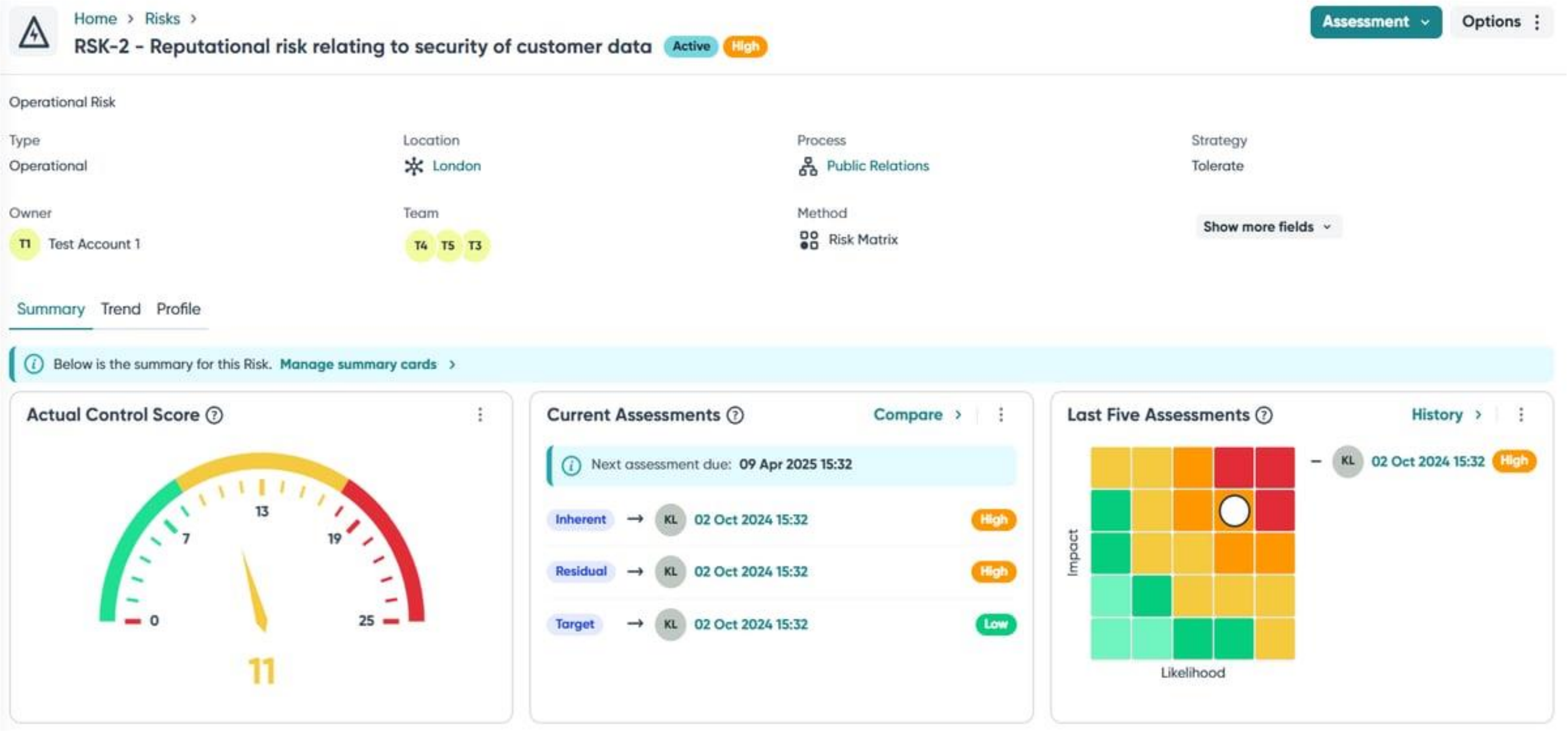
Example



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Next Steps

- Feedback welcome
- Consult Audit Committee on 3 July
- Further scenario modelling
- Adopt the new Risk Register format
- Develop and roll out the Ideagen system

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