

Strategic Risk Register

REPORT TO EXECUTIVE



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PORTFOLIO	Resources and Performance Management
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PURPOSE

- 1. To present the Executive with a Strategic Risk Register.

RECOMMENDATION

- 2. That the Executive approves the Strategic Risk Register.

REASONS FOR RECOMMENDATION

- 3. The Executive are required to approve the Strategic Risk Register (Appendix 1) pursuant to the Risk Management Strategy.
- 4. The Audit and Standards Committee have recommended the register to the Executive.

SUMMARY OF KEY POINTS

Governance Issues

- 5. Effective and up to date risk management is a key element of good corporate governance and contributes to an effective, focused organisation that understands the challenges facing it. The register links to the strategic actions that the Council has in place to control these risks and to strategic plans and actions to better serve the community. Risk Scoring provides a relative assessment of the risks and effectiveness of controls and plans to address the risks. The Strategic Risk Register is presented at Appendix 1.

New Risks

- 5. A risk for the cost-of-living crisis (Risk Ref 15 – Cost of Living Crisis) has been added to reflect the specific community impact of increasing inflation and fuel/energy costs. Work to address this risk is across the Council with new and existing initiatives. Energy Rebates have been paid, work with the Community Hub and the school uniform shop are all examples of this.
- 6. This has been scored as a high risk with a maximum likelihood and impact.

Risk Changes

7. There have been changes in scoring of the following risks.
8. Environmental Event (Risk Ref 13) has increased from 3 (Low) to 6 (Medium) with an increase in likelihood which reflects the extremes of weather that we have experienced.
9. Failure to respond to a widespread illness (Risk Ref 14) has been reduced from a 6 (Medium) to 3 (Low) with a reduced likelihood, as the booster programme continues.
10. There have been updates in the following risks:

Risk Ref 1 – Financial Stability
Increased energy costs have been included into the Triggers. The C19 has been removed from the National Economic Changes trigger as this risk has been impacted to a lesser extent by Covid and to a greater extent by inflation, increased energy costs and exchange rates.
Risk Ref 6 - Inability to deliver the regeneration programme
The C19 has been removed from the Economic downturn trigger as the risk has been impacted to a lesser extent by Covid and to a greater extent by inflation, increased energy costs and exchange rates.
Risk Ref 9 - Risks in responding to demographic changes and increased deprivation
The C19 has been removed from the Economic downturn trigger as this risk has been impacted to a lesser extent by Covid and to a greater extent by inflation, increased energy costs and exchange rates.
Risk Ref 11 - Malicious Attack
The Strategic Commitment PE4 (poor health) has been removed from this risk as the work is not related to controlling this risk.
Risk Ref 13 - Environmental Event
The Strategic Commitment PF1 (working with Liberata) has been removed from this risk as the work is not related to controlling this risk.

Strategic Risk Updates

11. The external auditor has recommended that there is inclusion of progress taken to control the risks. Most risks are cross cutting so reporting strategic progress against each risk is likely to lead to repetition with Executive Members reports to full Council. However, in future Strategic Risk Register reports will include issues which are not part of that process and include the reports for the independent members of the Audit and Standards Committee who do not receive these reports.

Economic Factors

12. The current interest rates are increasing as the Bank of England increases the base rate to reduce inflation. This impacts the Council in two primary ways, the Council can recover more interest from temporary investments and to a greater extent it must pay more for the short-term money it borrows. For longer term borrowing this may affect the costs of schemes which require borrowing.

13. Inflation has increased because of a range of factors e.g., increased food cost, increased energy costs and increased transport costs. Recently the impact of the Central Government Budget has been to decrease the value of the pound which increases the costs of importing goods but makes UK goods cheaper to buyers abroad. This increases the pressure on inflation. The recent tax cuts and the increased cost of Government borrowing may mean that there is less funding available from the Government for local government.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION
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14. None.

POLICY IMPLICATIONS

15. None.

DETAILS OF CONSULATION

16. Council's Risk Management Group and Audit and Standards Committee.

BACKGROUND PAPERS

17. None.

FURTHER INFORMATION	
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