DERBYSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

25 March 2020

Report of the Director of Finance and ICT

ANNUAL STRATEGIC RISK REGISTER REVIEW

1   Purpose of the Report

To advise Members of the outcome of the Strategic Risk Register review and the updated 2020-21 Risk Strategy together with the implementation plan.

2   Information and Analysis

Strategic Risk Register
The Council undertakes regular reviews of risks and the latest detailed assessment of the highest ranking risks forms the Council's Strategic Risk Register.

The Risk Register is a means by which the Council identifies, monitors and manages risks, and it is also used to inform the budget process. Risk mitigation measures do not always involve a financial requirement, but many do, and budgetary provision, financial reserves and provisions are made accordingly, taking account of Council priorities and available funding.

The Risk Register is designed to capture strategic risk which by its nature has a long time span.

The Risk and Insurance Manager undertook a wholesale review into the Strategic Risk Register with regards to appearance and content with the Strategic Risk Management Group on 30 January 2020.

It was agreed that some of the content needed to be reviewed to align with the current Council Plan and that the format could be improved to provide greater ease of understanding of the mitigations that the Council is undertaking. This work is currently ongoing.

The Coronavirus has widespread implications across Derbyshire and will affect the ability to provide services to our citizens. Detailed actions with regards to Covid-19 is encompassed within the section on Business Continuity risk mitigations.

A new format was suggested which is attached in Appendix A for the Audit Committee's consideration and agreement. The register has been updated and reflects current strategic risks. The risks noted require a further workshop to identify the mitigations and owner of each risk. This work will be carried out in the coming few months by the new Senior Risk Officer following appointment to that post.

The register highlights the Council's ongoing business continuity arrangements in responding to the Coronavirus outbreak.

Appendix B shows the Strategic Risk Register in its previous format but is provided as a reference point to demonstrate the mitigations that are in place for the risks identified in Appendix A. A summary of changes is shown at Appendix D.

Subject to agreement of the revised format by Audit Committee, the updated format will be presented to the next meeting, together with completed mitigations for each of the identified Strategic Risks.

Risk Management Strategy
The Risk and Insurance Manager has updated the Risk Strategy and implementation plan which was approved by Cabinet on 16 March 2020.

The Strategy has been comprehensively reviewed to ensure that the Risk Strategy supports the aims of the Council and provides a framework for departments to produce considered decisions that are based upon awareness of the risks involved rather than being risk adverse.

The Strategy will assist the Council in practising good corporate governance by reducing risk, stimulating performance throughout the Council, enhancing services, Value for Money and improving leadership, transparency and social accountability.

How successful the Council is in dealing with the risks it faces can have a major impact on the achievement of our key objectives and service delivery to the community. This Strategy will help support the corporate agenda and underpin the key Council Plan objectives.

The Risk Strategy has undergone a significant overhaul to enable Derbyshire's transition to an enterprising model. As risk changes through the evolution of the Council Plan, it is vital to ensure that the risk model is fit for purpose and in line with these altering opportunities and hazards. This will enable the Council to be aware of the risks and opportunities that are presented within a clear framework of assessment and identification.

As the Council is committed to adopting best practice in its management of risk, the Strategy is designed to ensure risk is of an acceptable and tolerable level in order to maximise opportunities. The Strategy will also assist the Council to demonstrate it has full consideration of the implications of risk and

the mitigations required to ensure the delivery and achievement of the Council's outcomes, strategic aims and priorities.

The Council will adopt an open approach to risk and strive to be risk aware. This entails being prepared to accept risk at a tolerable level that can be managed and mitigated whilst ensuring that the most vulnerable are protected and there is increased collaboration with our partners, communities and residents.

The implementation plan sitting behind the strategy is ambitious and seeks to raise the Council's CIPFA benchmarking ranking from mainly at Level 1 "Engaging" to Level 4, "Embedded and Working" by 2022 which is detailed over pages 20 and 21 or the report.

The 2020-21 Risk Strategy is attached in Appendix C for information.

3   Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, transport and social value considerations.

4   Officer's Recommendation

That Audit Committee:

i)   notes the updated Strategic Risk Register and approve the revised format;
ii) notes the details of the revised Risk Management Strategy.

PETER HANDFORD

Director of Finance & ICT

Strategic Risk Movement Report:

Report Date: 27/02/2020   Date of Previous Risk Score: September 2019

Notes: References highlighted **Purple** have been added since the previous report.

Old Category is shown when there has been a change of category.

Previous Risk Score shows rating, probability and impact prior to the Current Risk Score

⬅️➡️ No Change   ⬇️ Downwards movement   ⬆️ Upwards movement

Risk Ref: *2011/1* Category: Strategic	Risk Owner	Progress Update	Previous Risk Score	Movement Direction	Current Risk Score	Target Risk Score
Risk Description *Impact of a prolonged recovery and a funding gap* In the event that the Authority does not develop sufficient and timely proposals to deal with the ongoing or further reductions in funding/resources, there is a risk that the need to close the funding gap may result in identifying measures for unplanned reductions in service spend leading to deterioration or interruption of front line service delivery.	**Paul Stone** Assistant Director of Finance (Financial Management)	The Council has updated its Five Year Financial Plan alongside the setting of the Revenue Budget 2020/21 in February 2020. The update reflects the outcomes of the Spending Round 2019 and the Local Government Finance Settlement 2020/21. The continuation of mainstream funding for local authorities at 2019/20 levels is welcome, together with the additional funding for social care including the implementation of the Adult Social Care precept. This additional funding has allowed the Council to invest in critical services, such as adults and children's' social care. However, savings of £65m+ are still required over the medium in order to maintain a balanced annual budget.	**EXTREME** **25** **Probability** Almost Certain 5 **Impact** Very High 5	⬅️➡️	**EXTREME** **25** **Probability** Almost Certain 5 **Impact** Very High 5	**HIGH** **12** **Probability** Probable 4 **Impact** Medium 3

APPENDIX A

Controls:	REF:	Control Description	Status	Owner
	2011/1 FIN001	Five Year Financial Plan is updated at least annually and following key Government announcements e.g. Spending Rounds.	In Place/Embedded	E Scriven
	2011/1 FIN002	Departmental budget reductions programme developed together with a plan of lead-in times for consultation, where appropriate and the identification of workforce reductions.	In Place/Embedded	P Handford
	2011/1 FIN003	Budget Management Strategy Group established to ensure a cohesive approach to the monitoring of departmental budget saving targets, associated consultation activity and budget setting procedures. Departmental representatives following agreed terms of reference are meeting at least monthly with an expectation that the frequency of meetings will be more regular during the budget setting period.	In Place/Embedded	P Handford
	2011/1 FIN004	Budget Monitoring Policy ensures that there is regular reporting to SMTs and Members. The Director of Finance meets with Executive Directors and Cabinet Members to discuss the latest monitoring position. The position is reported to Cabinet and Council on a quarterly basis (effective from 1/4/2020).	In Place/Embedded	E Scriven
	2011/1 FIN005	The Reserves Policy stipulates that the Council's level of reserves will be reviewed at least annually. This includes a projection of the General Reserve balance to ensure that is maintained at an adequate risk assessed level.	In Place/Embedded	E Scriven
	2011/1 FIN006	Positive use of Better Care Fund and alignment of health and social care priorities for integrated working.	In progress/Taking effect	H Jones
			In progress/Taking effect	P Handford

	2011/1 FIN007	Lobby Government in ensuring fair funding for Derbyshire. The Council responds to all key Government consultations in respect of the Funding Review which is currently ongoing.		In progress/Taking effect		C Allcock
	2011/1 FIN008	Monitor the impact of the National Funding Formula for schools and closely monitor the implications of the High Needs Block level of funding ensuring compliance with the revised Government regulations.				

Risk Ref: 2011/05 Category: Strategic	Risk Owner	Progress Update	Previous Risk Score	Movement Direction	Current Risk Score	Target Risk Score
Risk Description *Failure to have adequate business continuity plans in place* The Council's ability to respond to a major incident, such as severe weather (eg. climate change based flooding), fire damage, loss of power or pandemics, and to maintain its critical services to the public. The emerging risk environment, the number and type of emergency and the interdependencies of services is increasingly making continuity or "resilience" a significant focus for the Council. Budget cuts and rationalisation (including resourcing reductions) also challenge the Council in its ability to fulfil its Category 1 Responder statutory duty.	**Mike Ashworth** **Executive Director Environment, Transport and Economy**	Following the outbreak of the Corona Virus, the Council has engaged in significant scenario planning across all departments to ensure that the Council is equipped to respond to ensure continuity of services on a priority basis	**High** **10** **Probability** Unlikely 2 **Impact** Very High 5	⬆	**EXTREME** **25** **Probability** Almost Certain 5 **Impact** Very High 5	**High** **10** **Probability** Unlikely 2 **Impact** Very High 5

Controls:	REF	Control Description	Status	Owner
	2011/05 ETE001	Corporate Business Continuity Plans updated and tested on an annual basis. Plan is held on an external system to which key staff have access to in the event of an emergency.	In Place/Embedded	**E Partington**
	2011/05 ETE002	In the event of an emergency, key corporate staff will meet at appropriate intervals, escalating in frequency as required in order to co-ordinate the response.	In Place/Embedded	**E Crapper**
	2011/05 ETE001	Departments hold in-depth reviews of their continuity arrangements to ensure key services can continue.	In progress/Taking effect	**M Ashworth**
	2011/05 ETE001	ICT and procurement to work with departments to ensure systems procured provide resilience.	In progress/Taking effect	**T Gerrard**
	2011/05 ETE001	Cross departmental working in place to support key areas. Skills and training identified.	In progress/Taking effect	**E Crapper**

Risk Ref: 2020/01 Category: Strategic	Risk Owner	Progress Update	Previous Risk Score	Movement Direction	Current Risk Score	Target Risk Score
Risk Description ***Increase in Demand on Council Services*** As demand for services changes, the Council may need to adapt the services it currently offers in order to provide the new or additional services. Failing to manage the	**TBC**	A new risk owner needs to be identified to ensure that the Council has robust plans to manage increased demands across all departments. The mitigations need to be aligned across all departments.	**EXTREME** **20** **Probability** Probable	⬅➡	**EXTREME** **20** **Probability** Probable	**High** **12** **Probability** Probable

changes could lead to core services being reduced leading to significant impact upon stakeholders and partnerships; potential litigation; fines; risk of injury or death.		Refer to Appendix C	4 **Impact** Very High 5		4 **Impact** Very High 5	4 **Impact** Medium 3
	Ref:	**Control Description**		**Status**		**Owner**
	Refer to Appendix B					

Risk Ref: 2011/19 Category: Strategic	Risk Owner	Progress Update	Previous Risk Score	Movement Direction	Current Risk Score	Target Risk Score
Risk Description ***Effective Change Management*** The Council is undergoing significant organisational change which will create significant workforce issues around having the right skills, productivity and capacity, each of which may adversely impact upon service delivery if not managed. The effect of reducing the Council workforce and pressure for increased productivity without effective change management and	**TBC**	A new risk owner needs to be identified to ensure that the Council has robust plans to manage effective change management across all departments. The mitigations need to be aligned across all departments. Refer to Appendix C	**EXTREME** **20** **Probability** Probable 4 **Impact** Very High 5	⬅➡	**EXTREME** **20** **Probability** Probable 4 **Impact** Very High 5	**High** **12** **Probability** Probable 4 **Impact** Medium 3

employee engagement also carries health and attendance risks. The lack of effective change management can lead to significant impact upon stakeholders and partnerships; potential litigation; fines; risk of injury or death and unplanned spending increases.			

	Ref:	**Control Description**	**Status**	**Owner**
	Refer to Appendix B			

Risk Ref: 2011/20 Category: Strategic	**Risk Owner**	**Progress Update**	**Previous Risk Score**	**Movement Direction**	**Current Risk Score**	**Target Risk Score**
Risk Description *Supply Chain Failure* Failure to manage outsourced contracts could lead to unforeseen increased costs; risk of contracts collapsing; increased carbon footprint.	**TBC**	A new risk owner needs to be identified to ensure that the Council has robust plans to manage effective change management across all departments. The mitigations need to be aligned across all departments. Refer to Appendix C	**EXTREME** **25** **Probability** Almost Certain 5 **Impact** Very High 5	⬅➡	**EXTREME** **25** **Probability** Almost Certain 5 **Impact** Very High 5	**MODERATE** **6** **Probability** Unlikely 2 **Impact** Medium 3

	Ref:	Control Description	Status	Owner
	Refer to Appendix B			

Risk Ref: 2011/2 Category: Strategic	Risk Owner	Progress Update	Previous Risk Score	Movement Direction	Current Risk Score	Target Risk Score
Risk Description ***Failure to meet waste management targets*** The Council is faced with challenges of presenting alternatives to landfill whilst considering environmental impact, increasing financial costs and reputational impacts arising from decisions over types of waste management employed.	**Claire Brailsford** **Assistant Director of Environment**	Refer to Appendix C	**EXTREME** **20** **Probability** Probable 4 **Impact** Very High 5	⬆	**EXTREME** **20** **Probability** Almost Certain 5 **Impact** Very High 5	**MODERATE** **6** **Probability** Unlikely 2 **Impact** Possible 3
	Ref:	**Control Description**		**Status**	**Owner**
	Refer to Appendix B				

APPENDIX A

Risk Ref: 2020/02 Category: Strategic	Risk Owner	Progress Update	Previous Risk Score	Movement Direction	Current Risk Score	Target Risk Score
Risk Description ***Failure to comply with GDPR and Cyber resilience*** The Council manages a significant amount of personal data and information in relation to service users and employees in the delivery of services using a range of systems and mediums. With data held in a vast array of places and in varying formats, it becomes susceptible to loss, protection, availability, misuse and privacy risks particularly with increased use of electronic transfer, and management (including use of the Government Public Sharing Network). The Council is exposed to financial penalties and reputational impact.	**Peter Handford** **Director of Finance and ICT**	**TBC** Refer to Appendix C	**EXTREME** **15** **Probability** Possible 3 **Impact** Very High 5	⬆	**EXTREME** **20** **Probability** Probable 4 **Impact** Very High 5	**EXTREME** **15** **Probability** Possible 3 **Impact** Very High 5
	<u>Ref:</u>	<u>Control Description</u>			<u>Status</u>	<u>Owner</u>
	Refer to Appendix B					

APPENDIX A

Risk Ref: Category: Strategic	Risk Owner	Progress Update	Previous Risk Score	Movement Direction	Current Risk Score	Target Risk Score
Risk Description *Adapting to Climate Change* The Council faces a challenge in relation to an increase in inclement weather patterns (flood, heat waves, drought, windstorm, increased snow fall) building the right infrastructure and new statutory flood and water risk management duties. Having sufficient financial resources and flexibility to address these challenges may become increasingly difficult.	**Geoff Pickford** **Service Director, Highways**	**TBC** Refer Appendix B	**MODERATE** **8** **Probability** Unlikely 2 **Impact** High 4	⬆	**High** **12** **Probability** Possible 3 **Impact** High 4	**MODERATE** **6** **Probability** Possible 2 **Impact** Medium 3
	Ref:	**Control Description**			**Status**	**Owner**
	Refer to Appendix B					
Risk Ref: 2011/9 **Category: Strategic**	Risk Owner	Progress Update	Previous Risk Score	Movement Direction	Current Risk Score	Target Risk Score
Risk Description *Protection of Children and Vulnerable Adults* Failure to protect the most vulnerable in our society could lead to significant fines; special	**Helen Jones** **Strategic Director** **Adult Social Care and Health** **Jane Parfrement**	**TBC** Refer to Appendix B	**EXTREME** **15**	⬅➡	**EXTREME** **15**	**HIGH** **10**

	Director or Children's Services		Probability Possible 3 Impact Very High 5		Probability Possible 3 Impact Very High 5	Probability Unlikely 2 Impact Very High 5
	Ref:	**Control Description**			**Status**	**Owner**
	Refer to Appendix B					

Risk Ref: Category:	Risk Owner	Progress Update	Previous Risk Score	Movement Direction	Current Risk Score	Target Risk Score
Risk Description *Maintenance of Assets* Failure to maintain our assets could lead to significant fines; significant litigation; decreased staff morale; reputational damage; HSE investigation	**Dave Massingham Director of Property** **Geoff Pickford Service Director - Highways**	**TBC** Refer to Appendix B	**EXTREME** **15** **Probability** Almost Certain 5 **Impact** Medium 3	⬅➡	**EXTREME** **15** **Probability** Almost Certain 5 **Impact** Medium 3	**MODERATE** **6** **Probability** Unlikely 2 **Impact** Medium 3
	Ref:	**Control Description**			**Status**	**Owner**
	Refer to Appendix B					

Risk Ref: 2018/5 Category	Risk Owner	Progress Update	Previous Risk Score	Movement Direction	Current Risk Score	Target Risk Score
Risk Description ***Failing to comply with Statutory Duties*** Lack of knowledge and understanding of Departmental Legislative duties meaning the Council is at increased risk of special measures, HSE investigation, Corporate manslaughter charges, personal prosecution and Insurers refusing to provide indemnity on property or liability claims.	**TBC**	**TBC**	**EXTREME** **25** **Probability** Almost Certain 5 **Impact** Very High 5	⬅➡	**EXTREME** **25** **Probability** Almost Certain 5 **Impact** Very High 5	**MODERATE** **10** **Probability** Unlikely 2 **Impact** Very High 5
	Ref:	**Control Description**			**Status**	**Owner**

Risk Ref: 2018/4 Category: Strategic	Risk Owner	Progress Update	Previous Risk Score	Movement Direction	Current Risk Score	Target Risk Score
Risk Description ***Ineffective workforce planning*** A failure to recruit and retain experienced staff; a lack of succession planning in order to ensure effective continuity of key skills and knowledge at all levels	**Emma Crapper**	`TBC	**EXTREME** **25** **Probability** Almost Certain	⬅➡	**EXTREME** **25** **Probability** Almost Certain	**EXTREME** **25** **Probability** X

			5		5	X
including leadership skills. Resulting in unfilled posts, accepting a lower calibre of staff, increasing training requirement to upskill new staff, vital knowledge lost leading to service delivery issues			**Impact** High 4		**Impact** High 4	**Impact** X X
	Ref:	**Control Description**			**Status**	**Owner**
	TBC					

Category	Risk Identifier No	Risk Description	Dept	New Score			Previous Score			Change	Mitigation - Current Comments	Link to Council Plan	Risk Owner
				Impact	Likelihood	Previous Score	Impact	Likelihood2	Current Score				
Financial	2011/1	**UPDATED** **Impact of a prolonged recovery and a funding gap** A prolonged, slow recovery to the economy is likely. The Authority is faced with rising demand for its services countered by a dramatic fall in funding and income - creating a potentially significant "funding gap". This mismatch between service demand and budget availability could lead to an increase in financial instability. Pressure is also present between "demand-led services" (eg social care) and other priorities.	ALL	5	5	25	5	3	15	D O W N	• Five year plan (2016/7 to 2020/21) in place and reflects planned use of General Reserves to support demographic needs (Adult Care) in the medium term. • Departmental budget reductions programme developed together with a plan of lead-in times for consultation, where appropriate, and the identification of workforce reductions. • General/Earmarked Reserve positions risk assessed, regularly monitored, and reported to Cabinet. • Priority based budgeting model in place. with development of departmental financial modelling systems. • Budget monitoring processes and procedure embedded (including planned "budget holder monitoring" roll-out). • Regular reporting to Members and briefing about potential implications of non-achievement of cuts. • 'Lean thinking' review of Council wide processes including service redesigns. • Improved models of work across organisations to reduce duplication. • Engagement and communication with key stakeholders and Local Area Committees. • Property rationalisation – including work with district and health colleagues • Positive use of Better Care Fund and alignment of health and social care priorities for integrated working. • Established "Fairer Deal for Derbyshire" campaign. • Active in all public consultations and continued Government lobbying. • Maximising alternative funding streams (ie. Combined Authority). • Utilise asset based approaches to develop social capital, helping to build natural communities of interest away from services. • Four year funding offer from Government to be considered to help support the development of a robust medium term financial plan • Additional budget of approximately £5m per annum for Adult Care from the Adult Social Care Precept • Prioritisation process plus underspends on Public Health contracted activity in 2015-16 have resulted in non-recurrent reserves of approximately £2.6m for investment in prevention interventions. Allocation of prevention funding to be agreed via panel process May 2016. • Spending review 2019 has given indication of significant additional funding alongside a clear indication of revised saving plans as part of the latest Five Year aplan indicators.	Value for money	ALL
Financial	2011/18	**DELETED** **Provision of services to schools** All services fully trading or partly trading with schools are under pressure to continue to achieve reductions in costs as well maintain or increase income. The reduction in resource could lead to impaired service delivery. Customer expectations of price/quality/responsiveness are raised and this will place services under more pressure. There is increasing competition from the private sector which could result in a loss of income. As more schools convert to academies there will be a loss of grant and a potential loss of income. If schools budgets are flat or decrease this will have an impact on their ability to buy council services.	ALL	4	3	12	4	4	16	U P	• Schools funding consultations have awareness of implications for trading. • Assistant Director, Traded Services & co-ordinating team in post to provide capacity & oversight. • Raised profile of schools trading through CMT and elected members. • Schools Trading Governance including Cabinet /CMT /Departmental leads in place. • Ongoing review of council systems to support schools trading including infrastructure. • Sales platform in place to ensure better promotion of council services. • Effective live & annual feedback systems in place for customers. • Customer relationship management in place through networks and communication although needs improving. • Systems to capture customer data and information to support sales strategies are being developed. • Development of links with other councils to seek regional responses to MAT's. • Monitoring of sales performance of school services is being developed	High performing council services	Angela Beighton
Financial	2011/10	**TO BE AMALGAMATED** **Looked after Children** An increase in Looked After Children (LAC) numbers and therefore costs - due to increasing demand pressures mirroring national trends, UASC, reductions in Early Help Services and rising placement costs. A reduced capacity to identify and address emerging needs early on runs the risk that vulnerable children's issues will escalate with potentially an increased number being admitted into our care. Currently Derbyshire has 40 50 LAC per 10,000 children which is very low compared with 55.5 for our statistical neighbours	CS	5	4	20	5	4	20	—	• Continue to highlight pressures and risks to central Government via ADCS. • Growth funding identified to increase social work capacity to strengthen ongoing work with families to avoid situations escalating for some children who might otherwise come into care. • Delivery of LAC sufficiency project to increase placement availability and reduce costs. • Ongoing recruitment and support to foster carers. • Project with Dartington Social Research to increase the number of children who can be safely reunified with family. • Closely monitor impact of Early Help services especially where services have reduced. • To strenghen practice on reunification i.e. encouraging young people in care to return home to family • Mitigate impact from Early Help review via 3 year transition team to support partners in developing their Early Help practice	A focus on prevention and early intervention	Alison Noble

Category	Risk Identifier No	Risk Description	Dept	New Score		Previous Score			Change	Mitigation - Current Comments	Link to Council Plan	Risk Owner
				Impact	Likelihood	Previous Score	Impact	Likelihood2	Current Score			
Financial	2011/12	**TO BE AMALGAMATED Continuing Healthcare** Tighter interpretation of eligibility to NHS funded Continuing Care (and changes in NHS at national/local level) resulting in some people with complex additional care needs, including challenging behaviour, becoming Council's funding responsibility.	AC	5	4	20	5	4	20	▬	• DCC Senior Management representation established on Board of 4 out of 5 Clinical Commissioning Groups covering Derbyshire. • Escalate Continuing Healthcare discussions • Establish joint funding and lead commissioning priorities • Agree with CCGs how to review clients affected. • On-going work to establish joint solutions approach across agencies. • Contributing to ADASS/LGA/NHS review of process to establish shared tools • Social Work teams enhanced to establish 7 day working capability via Care Act Grant monies • Increased frequency of escalaiton discussions • Improve flow across all services • Explore development of joint commissioning strategy and ppoled budget for Learning Disability Services to minimise focus on co-ordination to ensure better value for money	Value for money	Roger Miller
Government Modernisation Agenda	2011/19	**Effective Change Management** The Council is undergoing significant organisational change which will create significant workforce issues around having the right skills, productivity and capacity, each of which may adversely impact upon service delivery if not managed. The effect of reducing the Council workforce and pressure for increased productivity without effective change management and employee engagement also carries health and attendance risks.	ALL	4	5	20	4	5	20	▬	• As part of service planning, build a definitive workforce reduction plan to achieve the budget reductions • Ensure that any Employee Communication Strategy is able to support the workforce reduction programme, maintaining and improving levels of engagement • Ensure HR resources are effectively deployed to support the change programme • Put in place a workforce development plan which includes plans to : 1. Develop management capacity and capability through a Leadership Development programme (Derbyshire Manager) 2. Ensure that My Plan is effective so that employees' objectives support changing service needs and that skills development plans are in place to support new ways of working 3. Improve provision of L&D processes (L&D Review) and ensure an effective programme of reskilling is in place to support workforce realignment • Put in place an HR/OD Strategy which includes plans to 1. Mitigate compulsory redundancies, improve redeployment and talent management through the timely development of an Internal Jobs Market 2. Enable increased flexibility and support remodelling of the workforce by implementing remaining job families and contracting employees with the Council rather than departments 3. Use the Organisational Design principles effectively in developing new structures 4. Review employment policies and market positioning • Ensure that appropriate Counselling Service capacity is in place to support possible increased demand. • Review cross council processes to ensure they are lean and effective • IIP acredition and action plan implementation. Council priorities are at the heart of change management activity • Ensure Enterprising management is applied across the Council • Looking at how consistent change	High performing council services	ALL
Government Modernisation Agenda	2011/22	**TO BE AMALGAMATED Central Government Reforms** Demand on the integration and alignment agenda and increased expectation of partnership working combined with continued organisational change. Potential funding dependent upon performance targets being met. Examples include NHS reform and the establishment of Better Care Fund to advance integrated reform of health and social care. Opportunities are presented by working in Combined Authority and LEP structures.	ALL	5	5	25	5	5	25	▬	• Corporate Partnership Protocols. • Continued dialogue with all partners to ensure a collaborative approach to improving outcomes for all young or looked after individuals. Agreed (Adult Care) each organisation will monitor the schemes they are leading on. • Alignment of Adult Care and Health & Wellbeing Boards. Governance structure being established to report to Health and Wellbeing Board. • Continuing engagement with developing Clinical Commissioning Groups • Commissioning of Children and Adolescents Mental Health Service is being rolled out. • Engagement of all stakeholders in the process. Stakeholder and Provider Engagement Forums established. • Joint agreement on plans to deliver BCF outcomes. • Joint Health and Wellbeing Strategy refreshed in 2014. • Escalated joint working with acute hospitals and CCGs. Incorporate service added targets. • Joint commissioning priorities refreshed for 2014/15. • Whole system dialogue and contribution to Better Care Fund development. • Incorporate of service targets into CCG performance targets. • Escalate CHC discussions to Assistant Director level when necessary. • Combined Authority working represents opportunities for freedoms and flexibilities in relation to securing the prosperity of the area and to be involved in devolution discussions. • Working with the Local Enterprise Partnership, for which DCC is the Accountable Body, will ensure we are in a position to take advantage of funding streams that are distributed via the LEP, particularly in relation to transport, infrastructure and economic growth.	Value for money	Roger Miller, Linda Dale

Category	Risk Identifier No	Risk Description	Dept	New Score			Previous Score			Change	Mitigation - Current Comments	Link to Council Plan	Risk Owner
				Impact	Likelihood	Previous Score	Impact	Likelihood2	Current Score				
Regulatory & Legislative Failures	2011/21	**Collective Challenge under Judicial Review** The Council is exposed to possible challenges over decisions on continuation of some services in the face of budgetary restrictions if it fails to incorporate key considerations.	ALL	4	3	12	4	3	12	▬	• Projections in Joint Strategic Needs Assessment helps providers plan for the future. • Equality Impact Assessments supporting decision making process. • Appropriate relevant consultation. • Stakeholder consultations • Compliance with good project management guidance	Value for money	ALL
Emergency Response & Service Continuity	2011/20	**UPDATED Supply Chain Failure** In a prolonged recession and slow recovery, supplier instability in particular, is certain to increase and the new Care Act increases responsibility to monitor supplier resilience. The Council may also be faced with the failure of suppliers to meet expectations. Private sector arrangements may be challenged by a tension between the profit motive and the public service ethos. The potential implications of a disorderly Brexit could also affect the supply chain.	ALL	5	5	25	5	5	25	▬	• Development of joint commissioning arrangements. • Enhance contractual negotiations with expectation of business continuity plans in place. • Further development of risk based contractual negotiations. • Strengthening of commissioning processes. Maintain Associate Commissioner status with Clinical Commissioning Groups for 2015/2016 contracts. • Regular monitoring meetings with Derbyshire Community Health Services. • Use of regulatory data and market analysis information. • Transparency about placement information helps providers plan for the future. • Plans to develop sector wide approaches and innovative approaches to delivering health support in care homes - locally and at county level. • Identifying ownership of all providers in Derbyshire to better understand financial positions. • Joint strategic work with councils • Include governance standards into contract specifications. • Communicate with market about gaps by developig a full range of market position statements. • Promoting use of direct payments and direct care to support areas of deficiency. • Broaden provider range. • Develop responses with health commissioners to maintain capacity • Consolidate specialist social worker input to compliance team to supplement and improve effectiveness of social worker contributions to reducing safeguarding concerning the adult social care sector. • Brexit mitigation is being co-ordinated within the Council	High performing council services	ALL

Category	Risk Identitifer No	Risk Description	Dept	New Score		Previous Score			Current Score	Change	Mitigation - Current Comments	Link to Council Plan	Risk Owner
				Impact	Likelihood	Previous Score	Impact	Likelihood2					
Government Modernisation Agenda	2011/8	TO BE AMALGAMATED Implementation of Self Directed Support in line with the Personalised Care Agenda
The Council is required to ensure people have real control over the resources used to secure their care and support. The Council faces challenges including in (a) meeting Direct Payment targets, (b) people not choosing our "in-house" services and (c) new responsibilities for prisoners.	AC	4	4	16	4	4	16	▬	• Continue Self Directed Support as the main delivery approach within Adult Care.
• Continue Self Directed Support training programmes.
• Trusted Befriending Scheme is established
• Adopt a personalised care approach within all Council departments.
• Develop self-directed care strategy and robust preparation
• Trusted PA Reigster in place.
• Implications of increased complexity of casework being handled and the specific requirements of the Mental Capacity Act 2005 , Deprivation of Liberty Safeguard regulations and recent legal judgements has resulted in increase in probability score.
• Established Direct payments performance and standards group.
• Assessment and decision making tools reviewed and updated continuously.
• Projections of potential demand fr self-funded carers, assessments in prison and advocacy.
• Review Assessment Pathway under continuous review
• Investment in social work training.
• Specific investment to create specialist response to prisoners.	Empowered and self-sufficient	Roger Miller
Regulatory & Legislative Failures	2011/2	UPDATED Failure to Meet Waste Management Targets
The Council is faced with challenges of presenting alternatives to landfill whilst considering environmental impact, increasing financial costs and reputational impacts arising from decisions over types of waste management employed.	ETE	4	3	20	4	3	25	U P	Derbyshire County Council and Derby City Council jointly let a long term waste contract with Resource Recovery Solutions (Derbyshire) Ltd (RRS), to manage residual waste and Household Waste Recycling Centres in Derbyshire and Derby. The contract commenced in 2010. As a part of this contract a waste treatment facility was proposed in Sinfin, Derby City. After a protracted planning process, financial close was finally achieved in August 2014. Construction commenced in September 2014 and is now complete.
Following delays in construction the long stop date of the contract elapsed on 30 September 2018. The Councils served a Funders' Direct Agreement (FDA) Notice on the Contractor on 10 April 2019 requiring the Funders to step in to the project. This was the first in a series of steps which could potentially lead to termination of the Project Agreement.
The funders subsequently issued a legal notice – called a "No Liquid Market" notice – the councils did not dispute the notice and consequently the contract was terminated 14 days after being served on 2 August 2019.
Contingency measures have been put in place to make sure waste continues to be dealt with, and that recycling centres and waste transfer stations continue to operate. These services are being provided by waste management company Renew under a new two-year contract. This contract includes work on the waste treatment facility. Work is underway to determine the facility's condition and capability, this will ascertain what measures need to be in place for the facility to become fully operational. Officers are closely monitoring the Service Continuity Contract to ensure that day-to-day waste and recycling services continue and the waste treatment facility is being safely and securely managed and maintained. Work is progressing with the implementation of governance arrangements, systems and procedures for the new contract.
The councils have now entered negotiations with the banks to agree an "estimated fair value" for the facility that will be worked up by an independent expert, taking into account all of the costs of rectifying ongoing issues at the facility, and the costs of providing the services to meet the agreed contract standards.
Project planning is underway on services post 2021 when the Service Continuity Contract comes to an end. A Work Plan of key actions is being prepared, resources allocated and will be subject to regular review.
Work towards the Council Climate and Carbon Reduction Manifesto pledges.	Value for money	Claire Brailsford
Regulatory & Legislative Failures	2012/1	TO BE AMALGAMATED Information Governance, Cyber and Social Media
The Council manages a significant amount of personal data and information in relation to service users and employees in the delivery of services using a range of systems and mediums. With data held in a vast array of places and in varying formats, it becomes susceptible to loss, protection, availability, misuse and privacy risks particularly with increased use of electronic transfer, and management (including use of the Government Public Sharing Network). The Council is exposed to financial penalties and reputational impact.	ALL	5	3	15	5	3	15	▬	• The Council has achieved its ISO 27001 status and work continues to maintain this accreditation.
• Independent health checks and penetration tests.
• The on-going programme of activities, such as training for employees who process personal data, regular communication and continual review and updating of security policies continues. A security breach reporting system is also in place.
• Local and regional public health information governance groups established.
• Public Health contracts to be negotiated with information access rights.
• Consider co-locating of community teams to ensure access.
• Protocols established with schools prescribing requirements for accessing Frameworki records.
• Dialogue with partners about requirements.
• Secure email account establish for each area in CAYA.
• Ongoing work to secure effective information transfer.
• Secure methods of communicating controlled and restricted data utilised as required (post, encrypted email, GCSx).
• DCC has achieved PSN Code of Connection - the practices of using GCSx (via PSN) are enforced through protocols and policies. PSN certification is reassessed annually in September.
• Memorandums of Understanding in operation to enforce/augment communication channels with external partners.	High performing council services	Jo White

Category	Risk Identifier No	Risk Description	Dept	New Score			Previous Score			Change	Mitigation - Current Comments	Link to Council Plan	Risk Owner
				Impact	Likelihood	Previous Score	Impact	Likelihood2	Current Score				
Organisational Change	2011/14	**To be amalgamated Residential Care** The Authority faces a challenge in maximising use/potential of planned Residential Community Care Centres and extra care developments as well as ensuring all residential care accommodation is maintained to a level in excess of legal expectations.	AC	4	3	12	4	5	20	▬	• Tight budget management at corporate and responsibility care level and within programme board. • Monitoring of high level risk of individual projects at SMT level. • Positive use of Better Care Fund and alignment of health and social care priorities for integrated approaches to working. • Market management. Strategic Direction for DCC Direct Care Residential Services 2015/20 Plan developed and approved by Cabinet will; • seek to consult on the closure of 5 residential care homes which are unsustainable in the long term • ensure maximum use of Extra Care • minimise use of Residential placements • seek to drive down in house unit costs • maximise funding from NHS partners surveys regularly completed and maintenance programmes developed and subject to robust business cases. Linked to risk 2012/2 Maintenance of Assets • Asset	High performing council services	Roger Miller
Emergency Response & Service Continuity	2011/6	**ICT Infrastructure & Systems** The procurement of new and replacement computer systems that meet organisation and departmental requirements. In particular; (a) The availability of systems capable of meeting complex business requirements (b) The costs associated with replacing, procuring and running systems (c) Resource capability for implementing new large scale ICT projects (d) The ability to provide technical support on what are now becoming increasingly complex systems. (e) Continuity of service during transfer to new systems. (f) The ability to satisfy internal/external security requirements (e.g. PSN / ISO 27001, CoCo etc). (g) Capacity of systems to cope with the level of demand.	ALL	4	4	16	4	4	16	▬	• A new governance checklist has been developed to ensure that all the necessary approvals and funding is in place prior to project initiation. • A communications strategy is agreed at the start of each project to ensure that all stakeholders are appropriately engaged. • Procurements are supported by clear departmental requirements documentation. • Close liaison with suppliers and rigorous market testing including 'Supplier Discovery Days' are used where appropriate. • A formal project management approach with agreed roles, agreed documentation and rigorous controls. •Rigorous testing schedules and temporary parallel running of systems. •Project delivery process includes assessing training needs. • Senior departmental representation on project teams. • Replacement of strategic ICT systems incorporated in departmental planning processes. • Continued training for ICT staff on current technologies • Using lessons learned from past procurements to improve procurement process for other departments. • Close liaison with client department in system design. • Issues arising during implementation are resolved jointly with senior supplier representatives. • Toolkit is being revised to ensure that service requirements are fully taken into account. • Senior level discussions with suppliers to maintain dialogue and set expectations. • improved performance management of contract compliance in conjunction with stakeholders. • Personal email use-is not allowed. • Encryption on devices; antivirus and other security tools are kept under review • Looking at how to improve defences agains phishing.	High performing council services	Peter Handford
Emergency Response & Service Continuity	2011/11	**Adapting to Climate Change** The Council faces a challenge in relation to an increase in inclement weather patterns (flood, heat waves, drought, windstorm, increased snow fall) building the right infrastructure and new statutory flood and water risk management duties. Having sufficient financial resources and flexibility to address these challenges may become increasingly difficult.	ALL	4	2	8	4	2	8	▬	• Local climate impact profile completed and Level 1 of indicator on target. • Completion of asset management inventory - in particular Road Gullies. • Flood data analysed to determine priority for further investigation. Database extended as a result of recent flood incidents. • Implemented recommendations of the Pitt Review. • Implemented new Flooding & Water Act 2010 responsibilities. • Link to partnership (DPF) priorities (Climate Change Performance measures). • Contribute to comprehensive risk assessment of the effect of projected future climatic changes. • Some exchange of data with engaged planning Authorities regarding flood risk posed by future development. • Technical Flood Risk Group comprising all Risk Management Authorities meet quarterly to resolve problems affecting residential properties, businesses or infrastructure. • Implementation of flood response protocol for Derbyshire including all Risk Management Authorities. • Consulting on a Local Flood Risk Strategy for Derbyshire, due to be published June 2015. • Review DEFRA proposals for SW drainage to be the responsibility of the Planning Authorities and Derbyshire's proposed role as Statutory Consultee. • Flood Warden schemes being developed in high flood risk areas. • Anticipated establishment of £2 million contingency fund. • DVMWHS Environmental research projects planned. My City, My River - Derby • Provision and maintenance of silt traps and fuel interceptors prposed. • Pursue likely contraventions of the Highways Act resulting in pollutants discharging onto the Highway. Derbyshire Flood Risk management Strategy, published December 2014, sets out the action plan to mitigate flood risk across the county. • Implementation of the climate change manifesto	High performing council services	Geoff Pickford

Category	Risk Identifier No	Risk Description	Dept	New Score		Previous Score			Change	Mitigation - Current Comments	Link to Council Plan	Risk Owner
				Impact	Likelihood	Previous Score	Impact	Likelihood2	Current Score			
Emergency Response & Service Continuity	2011/5	**UPDATED Adequacy of Business Continuity Planning** The Council's ability to respond to a major incident, such as severe weather (eg. climate change based flooding), loss of power or pandemics, and to maintain its critical services to the public. The emerging risk environment, the number and type of emergency and the interdependencies of services is increasingly making continuity or "resilience" a significant focus for the Council. Budget cuts and rationalisation (including resourcing reductions) also challenge the Council in its ability to fulfil its Category 1 Responder statutory duty.	ALL	5	2	10	5	2	10	▬	On-going Mitigations; • Business Continuity Plan part of the "Council Capacity" section in the Council Plan. • Business Continuity Plan updated and tested regularly (plan reviewed annually, training and exercises held annually • Business Impact Analysis updated regularly Planned Mitigations; • A major upgrade to the Council's core data network is complete which has increased resilience. • Installation of virtual switching system has been completed with separate generator. • ICT resilience is designed into key services. • Increased ICT resilience is provided through the 2nd data centre which has been enhanced. • Critical Salvage Strategy, Document Management Strategy and Procurement Strategy incorporated into Corporate Business Continuity Plan 2014. • Corporate Business Continuity Plan reissued August 2015 Report to CMT September 2015. • New converged infrastructure to be installed in Data Centre leading to improved performance and resilience. • Auditing of Business Continuity Arrangements completed July 2015. • Adult Care undertaking joint procurement for case recording system with Children's Services • Risk Champions to undertake a full review of Business Continuity Plans in January 2019 with them considering the effectivemness and consistency of these plans prior to this date Training is to be delivered in the next quarter to all managers who will need to have input into writing a business continuiy plan. NB. This risk will remain on the Strategic Risk Register for monitoring purposes	High performing council services	Liz Partington

Category	Risk Identifier No	Risk Description	Dept	New Score			Previous Score			Change	Mitigation - Current Comments	Link to Council Plan	Risk Owner
				Impact	Likelihood	Previous Score	Impact	Likelihood2	Current Score				
Regulatory & Legislative Failures	2011/9	**Protection of Children and Vulnerable Adults** The Council has a statutory responsibility to protect children and vulnerable adults from harm.	AC/ CS	5	3	15	5	3	15	—	• Robust safeguarding procedures, including within Starting Point to embed multi-agency thresholds and pathways. • Independent chairing of Derbyshire Children's Safeguarding Board ensures robust challenge to all agencies informed by audit activity • Growth funding identified to reduce social worker caseloads to reduce levels of risk. • Review of supervision policy taking place for Early Help/Social Care. • Work to strengthen learning and development and performance/QA culture across the Department including learning from Serious Case Reviews • Effective risk management processes for outdoor services delivered by DCC and licences/qualifications to ensure best practice. • Promotion of culture of managing risk within each setting. • Continue to learn from National reports and implement any appropriate recommendations. • Continue with Safeguarding training across all staff groups. • Continue to invest in early intervention strategies. • Effective multi-agency working & information sharing protocols • Multi-agency safeguarding hub in police HQ. • Introduce social pedagogy to improve outcomes. • Independent Chair Adults and Childrens Safeguarding Boards appointed • Deprivation of liberty safeguards (DOLs) training and sustained additional capacity. • Guidance to providers and fieldwork staff about thresholds for DOLs in light of Supreme Court Judgements. • Safeguarding teams to be area based for improved service and efficiencies. • Action plan developed to support response to the lower threshold for deprivation. • Development of prevention strategy to provide extended options to meet needs. • Introduced direct care trading. • Policy and procedure review to ensure Care Act compliance. • Enhance quality monitoring resources	A focus on prevention and early intervention	Roger Miller / Jane Parfrement
Emergency Response & Service Continuity	2012/2	**Maintenance of Assets** The property rationalisation programme is currently under review which may delay further the provision of suitable accommodation and may not generate anticipated capital receipts. Combined with further cuts to maintenance and repair budgets services face maintenance challenges and a shortage of suitable accommodation until the programme is completed. Highway and Countryside Assets - risk of failure of assets, e.g. landslips, reservoirs, blocked gullies causing flooding, safety fencing, street lighting columns etc	CCP/ET E	3	5	15	3	5	15	—	• Asset Management Plan in place • Capital Programme in place • Joint working with other district councils/partners. • Location independent working initiated. • Regular Health and Safety inspections undertaken. • Annual premises reviews undertaken by Property Division to identify defects and remedial actions. • Defect reporting procedure in place. • Relevant testing schemes in place. • Staff access to building information. • Develop building facilitator course for staff with responsibility for buildings. • Customer Profiling intended to provide optimal solution on where presence should be focused. • Review property strategy.	Value for money	Dave Massingham / Geoff Pickford
		Maintenance of Assets Cont.				15			15	-	• Buy-in for IT infrastructure needed to support project. • Continue to develop Asset Management Strategy and associated policies and work on high risk locations • Accredited Highways and Structures Inspection Regime • Intelligent Gully Cleansing procedures being rolled out across all Boroughs and Districts to improve maintenance, resolve defects, and enhance history of actions • Continue to develop Asset Management of the structures stock, gather retaining walls data and assess associated risks • Manage large raised reservoirs on DCC property to comply with Floods and Water Act 2010 • Undertake routine inspection and maintenance on canal assets. Agree surveillance regime particularly following storm or high rainfall events. • Highway safety and service inspections in accordance with the CoP • Three year, £23.3m, investment into LED and dimming technology has been approved. This will include the replacement of 22,000 5 and 6m columns considered to have a higher risk of failure within the lifetime of the LED. Start date may be Q4 of 2016/17. • Columns above the 6m height will continue to be assessed and monitored and will be subject to future capital LTP replacement programmes • Annual inspection of "A" road network; "B" road network inspection every 2 years • Working towards a risk based approach to asset management in line with the recently released Code of Practice - "Well Maintained Transport Infrastructure". • Corporate Landlord Statutory Compliance Monitoring • Corporate Property Asset Management Strategy • New Adverse Weather Policy being developed during 2018	Value for money	Dave Massingham / Geoff Pickford

Category	Risk Identifier No	Risk Description	Dept	New Score			Previous Score			Change	Mitigation - Current Comments	Link to Council Plan	Risk Owner
				Impact	Likelihood	Previous Score	Impact	Likelihood2	Current Score				
Government Modernisation Agenda	2013/2	**Impact of welfare reform** Welfare reforms and widening gaps between richest and poorest residents may increase the number of service users in need/poverty which could create increased family referrals and pressure on adult, children service and public health resources.	AC/ CS/ HAC	4	5	20	3	5	15	-	• New arrangements for administration of self-funding. • Anti-poverty strategy implementation plan being developed by DCC. • Health and Wellbeing Strategy to be refreshed to increase economic wellbeing and poverty agenda. • Protection and enhancement of current welfare rights support service. • Media releases on Public Health issues. • Regular briefings for Health and Wellbeing Portfolio holder and board. • Services targeted at areas of greatest need. • Credit Union, Food Bank and Children's Centre initiatives in place. • Director of Health Annual Report recommends partner actions. • Payment of minimum wage for DCC employees. • Monitor commitment to implementation of DHAR recommendations.	A focus on prevention and early intervention	Roger Miller/Linda Dale/Anne Hayes
Financial	2015/03	**UPDATED D2N2** The Council is the Accountable Body to the Local Growth Fund from 1 April 2015 and will be responsible for the administration of the £170m+ funding. There is a possibility of grant clawback and the Council may be asked to take on that risk. There may be a possibility of grant funds being required to be underwritten if grants are paid in arrears i.e. impact on the cashflow position of the Council. Grantor's rules on disposal of assets and/or change use of assets to ensure that any receipt from the sale of he asset is reimbursed to the grant issuing body and that relevant negotiations take place to minimise the risk of clawback to the accountable body. The risk of grant clawback, particularly for capital expenditure, could be indefinite in some cases.	ETE/ CCP	4	3	12	4	2	8	DOWN	• Service Level Agreement is explicit in terms of risk of grant clawbacks. • Register of assets purchased with grant funds should be maintained and verified on a regular basis. • Ensure that expenditure is eligible under the grant terms and conditions and ensures compliance with the funding bodies rules and guidance, and to be aware of any changes to those rules or guidance. £12bn funding until 2020-21, confirming indicative allocations. • CSR15 confirmed commitment of	Value for money	Peter Handford
Financial	2018/03	**UPDATED GDPR** The Council has a responsibility to comply with GDPR legislation incorporated into the Data Protection Act 2018 to avoid potentially large fines by the Information Commissioner and increased potential of Civil Action. This risk is linked to risk 2012/1 Information Governance, Cyber and Social Media	All	4	4	16	4	3	12	-	• IGG has oversight. • Working group established Summer 2017 and action plan in place. ICO audit in September 2017 found adequate arrangements in place. Information audit completed and lawful basis for processing identified. • Privacy Impact Assessment process embedded in procurement and data sharing projects. Training of staff managing data undertaken. Extensive GDPR training programme rolled out across the Council and within schools. Significant progress has been made against the ICO Action plan Emerging risk: some third party providers have refused to agree to amended contract conditions. Legal and procurement teams working togther to resolve and identify key risk contracts. Emerging Risk: systems compliance. To be addressed by ICT Strategy. Emerging risk - delayed Subject Access Request (SAR) responses are being actively monitored by the ICO. Additional staff being recruited to reduce backlog	High performing council services	Simon Hobbs

Derbyshire County Council

Risk Management Strategy & Implementation Plan

2020-2021

Version Control

Version	Date	Comments	Author
1.0	March 2018	Created initial Draft Document outline for review	Jane Morgan
1.1	August 2018	Review and amendments	Jane Morgan
1.2	September 2018	Review and amendments	Jane Morgan
1.3	October 2018	Review and amendments	Jane Morgan
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1.5	December 2018	Review and amendments	Jane Morgan
1.6	December 2018	Review and amendments	Chris Woodhouse
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2	February 2019	Strategy agreed at CMT 2019 02 19	Jane Morgan
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2.5	19th November 2019	Strategy and Implementation plan agreed at CMT	Jane Morgan
2.6	January 2020	Minor amendments and inclusion of role of Governance Committee	Jane Morgan
2.7	February 2020	Final for Cabinet	Jane Morgan

Contents

1. Introduction

The Council Plan 2020-2021 is clear in its ambitions for Derbyshire County Council to be efficient and high performing, delivering value for money services as well as becoming an Enterprising Council transforming its traditional service delivery models.

Fundamental to the Strategy is the identification, evaluation and treatment of risk, which together with a framework for continuous improvement to enable the Council to transition to an Enterprising model.

New service models will necessitate closer working arrangements with new and existing partners including public and private sector organisations, the voluntary and community sector in providing cost effective public services.

As risk changes through the evolution of the Council Plan, it is vital to ensure that the risk model is fit for purpose and in line with these altering opportunities and hazards. Therefore, the Council will adopt the ISO 31000 2018 Enterprise Risk Management Principles which will allow the Council to develop as an Enterprising Council.

This Strategy will underpin the Councils objectives by assisting Departments and Councillors to identify existing and changing risks as well as opportunities presented to enable the Council to make sound business decisions based on a robust framework.

The right risk strategy will:

2. Purpose

As set out in the "Working for Derbyshire" Council Plan the Council has clear ambitions for an efficient high performing Enterprising Council delivering Value for Money (VfM) services. This will result in a challenging and ambitious programme of transformation and change over the medium term 2020-2021. Fundamental to delivering these ambitions is the way the Council implements sound management of risks and opportunities.

The Council is committed to adopting best practice in its management of risk to ensure risk is of an acceptable and tolerable level in order to maximise opportunities and demonstrate it has full consideration of the implications of risk to the delivery and achievement of the Council's outcomes, strategic aims and priorities.

The Council is clear that the responsibility for managing risk belongs to everyone across the Council and that there needs to be a good understanding of the nature of risk by all stakeholders. This is fundamental in making informed decisions and is becoming increasingly important as the Council pursues innovative ways of working in carrying out its service delivery.

The Council will adopt an open approach to risk and strive to be risk aware - being prepared to accept risk at a tolerable level that can be managed and mitigated whilst ensuring that the most vulnerable are protected and there is increased collaboration with our partners, communities and residents.

This Strategy and its objectives are inherent to good governance practices and they have been endorsed by the Council's Cabinet and Corporate Management Team (CMT). The content of this Strategy will be reviewed on an annual basis with any significant changes recommended to Cabinet for approval.

3. Risk Management Policy Statement

The Council is committed to a proactive approach to risk management which is integrated into the policy framework, planning and budgeting cycles.

The Council recognises the value of maintaining an effective risk management culture which will seek to identify, analyse, manage and control the risks it faces.

The Council acknowledges that risk cannot be totally eliminated and may sometimes need to be embraced as part of an innovative approach to problem solving.

The Council is, within the above context, committed to the management of risk in order to:

- Deliver the ambition of an Enterprising Council.
- Ensure that statutory obligations and policy objectives are met;
- Prioritise areas for improvement in service provision and encourage meeting or exceeding customer and stakeholder expectations;
- Safeguard its employees, clients or service users, members, pupils, tenants and all other stakeholders to whom the Council has a duty of care;
- Protect its property including buildings, equipment, vehicles, information and all other assets and resources;
- Identify and manage potential liabilities;
- Maintain effective control of public funds and efficient deployment and use of resources achieving VfM;
- Preserve and promote the reputation of the Council;
- Support the quality of the environment;
- Learn from previous threats, opportunities, successes and failures to inform future management of risks.

4. Risk Appetite Statement

This statement details the level of risk related to our corporate objectives and pledges that we are willing to accept within our capacity.

We are a risk aware Council which understands the importance of risk taking and accepts that there is an element of risk in most of the activities we undertake. The level of risk we are willing to take is intrinsically linked to each of our Council pledges and, for this reason, it has been accepted that our risk appetite should not be highly prescriptive.

Our risk appetite should depend on which of our corporate objectives would be affected by the risk and the impact the risk would have on that objective should it materialise. This flexible approach is seen as the best way to allow us to make informed decisions in respect of each risk situation.

To assist in the decision making process, and to help with prioritisation, we have agreed to apply a general level of risk retention (see below). However, this does not mean that in every case, risks falling below the line of retention require no action and vice versa.

5. Definition of Risk

Risk is the "effect of uncertainty on objectives" and an effect is a positive or negative deviation from what is expected.

Therefore, the Council defines risk as:

Any potential development or occurrence which, if it came to fruition, would jeopardise the Council's ability to:

• achieve its corporate improvement priorities
• provide services as planned
• fulfil its statutory duties, including the duty to make arrangements to secure continuous improvement and ensure financial stability.

6. ISO 31000 2018 Enterprise Risk Management Principles

The purpose of risk management is the creation and protection of value. It improves performance, encourages innovation and supports the achievement of objectives.

The factors underpinning ISO31000 2018 is that Risk Management should be:

- Integrated
- Structured and comprehensive
- Customised
- Inclusive
- Dynamic
- Based on the best available information
- Human and cultural factors
- Continual improvement

7. Strategy Objectives and Outcomes

Risk Management and Corporate Governance

Risk Management is an integral part of the Corporate Governance Framework at the Council.

The Risk Management Strategy will assist the Council in practising good corporate governance by reducing risk, stimulating performance throughout the Council, enhancing services, VfM and improving leadership, transparency and social accountability.

How successful the Council is in dealing with the risks it faces can have a major impact on the achievement of our key objectives and service delivery to the community. This Strategy will help support the corporate agenda and underpin the key Council Plan objectives.

Further information on the Council Plan can be found here.

Risk Management Objectives

The objectives of the Council's Risk Management Strategy are to:

- Integrate of Risk Management into the culture of the Council through regular reporting mechanisms to Audit Committee; CMT and Cabinet
- Adoption of the Principles of Enterprise Risk Management ISO31000:2018
- Introduce a robust framework and procedures for the identification, analysis, assessment and management of risk and the reporting and recording of events, based on best practice
- Incorporate a standard approach to the evaluation of risk into strategic and local partnership working; as well as corporate, service and business planning processes business plans; procurements; service re-design
- Provide key risk management performance information for management teams
- Provide a comprehensive Risk Management training and awareness programme
- Minimisation of injury, damage, loss and inconvenience to residents, staff, service users, assets etc. arising from or connected with the delivery of Council services
- Minimisation of the total cost of risk
- Ability to respond to emergency situations and manage business interruptions so as to minimise disruption of services aligning to the Council's Business Continuity Plan
- Ensure critical services are identified and prepared for all eventualities

Risk Management Aims

The aims of the Risk Management Strategy are to:

- Improve the quality and reliability of services, leading to more satisfied residents, fewer complaints and maintaining the reputation of the Council
- Support risk-informed decision making at all levels and encouraging innovation, whilst taking proper account of threats and opportunities
- Ensure management of risk is embedded as part of the Council's culture and the commitment communicated throughout the organisation
- Enable the Council to anticipate and respond to changing social, environmental, legislative, political, economic, technological, competitive and residents requirements, and manage change effectively
- Raise awareness of the need for the management of risks by all those connected with the delivery of services (including partners, delivery agents etc.)
- Provide and use a robust and systematic framework for identifying, managing, responding to and monitoring risk
- Provide assurance, through risk reporting, of a robust management system for responding to risk
- Manage risk in accordance with best practice and ensure compliance with statutory requirements

8. Risk Management Methodology

Risk Scoring

It is important that the Council as a whole uses the same methodology to calculate risk to ensure that Derbyshire County Council has an accurate and consistent overview of the risks that are posed.

The risks are scored using two criteria scales that are then multiplied together to produce a total score by which the risk is assessed as to the impact to the Department and then to the Council.

The two criteria used are the Likelihood of an event occurring and the Impact that event could have.

Likelihood Scale

The scale the Council will adopt for assessing likelihood is as follows:

Likelihood Assessment Criteria	
Scale	**Description**
5	ALMOST CERTAIN: The event is expected to occur or occurs regularly (monthly, quarterly or biannual)
4	PROBABLE: The event will probably occur (annually)
3	POSSIBLE: The event may occur (1 incident in 2 years)
2	UNLIKELY: The event could occur (1 incident in 5 years)
1	RARE: The event may occur in certain extreme circumstances (1 Incident in 10 years or above)

Impact Risk Scale

The Corporate scale for assessing risk is shown in the following page with an example description for each score for each area of risk from 1-5 with 1 being the least impact and 5 being the greatest to the Council.

When assessing each risk, the category that scores the highest impact should be used if a number of categories could be used.

Corporate Impact Assessment Criteria of Risk Category

Scale	Scale Description	Risk Categories								
		Financial	Reputational	Physical Injury/Health and Safety	Environmental Damage	Service/Operational Disruption/Key Targets/Objectives	Statutory Duties/ legal Implications	Partnership Implications	Information Governance	Stakeholder Implications
5	Very High	>£25,000,000	Lasting or permanent brand damage resulting from adverse comments in national press and media. Members/Officers forced to resign	Death or severe life-changing injuries	Major national or international	Severe disruption/loss of service more than 7 days	Multiple Litigation	Complete failure / breakdown of partnership	Significant breach, extensive national press, ICO fines, loss of ISO 27001 certification	Stakeholders would be unable to pursue their rights and entitlement and may face life threatening consequences
4	High	£10,000,000 to <£25,000,000	Temporary brand damage from coverage in national press/media	Extensive or multiple injuries/ Incidents reportable to HSE	Major local impact	Disruption/Loss of service less than 7 days	Litigation	Significant impact on partnership or most of expected benefits fail	Larger breach, no sensitive data loss local press coverage Or Minor breach, sensitive data loss local press coverage	Stakeholders would experience considerable difficulty in pursuing rights and entitlements
3	Medium	£5,000,000 to <£10,000,000	Extensive coverage in regional press/radio/TV/social media	Serious injuries/ incidents reportable to HSE	Moderate locally	Disruption/Loss of service less than 48 hours	Ombudsman	Adverse effect on partnering arrangements	Larger breach, no sensitive data loss and internally controlled Or Minor breach, sensitive data loss internally controlled	Some minor effects on the ability of stakeholders to pursue rights and entitlements, eg other sources or avenues would not be available to stakeholders
2	Low	£2,5000,000 to <£5,000,000	Minor adverse comments in regional press/social media	Minor (i.e. first aid treatment)/ No time lost from work	Minor locally	Internal disruption only, no loss of service	Individual Claims	Minimal Impact on Partnership	Individual breach no loss of sensitive data	Minimal impact without needing to look at other sources or avenues
1	Negligible	<£2,500,000	Minimal adverse comments with minimal press/social media	None	None/ Insignificant	No loss of service	No impact	No Impact	No impact	No impact

Risk Retention Threshold

The following information details how we will apply our risk appetite in practice. Below is the risk scoring matrix DCC will use to determine the risk score from project, operational and strategic risks one the Likelihood and Impact have been scored.

Risk Score Matrix (Impact x Likelihood)

Likelihood						
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5
			Impact		

Identifying and ranking risks is important but the key element thereafter is to determine the strategy for managing them. The following tables provides guidance on the level of management intervention that is likely to be necessary or appropriate.

Colour	Score	Action	Risk Control
Green	Low	Review Periodically	Tolerate/Accept or Treat and Control
Yellow	Moderate	Mitigate, Control and Review Frequently	Tolerate/Accept or Treat and Control
Amber	High	Seek cost effective management action, control, evaluation or improvements with continued proactive monitoring	Treat, Tolerate or Transfer
Red	Extreme	Significant management action, control, evaluation or improvements with continued proactive monitoring	All options can and should be considered

It does not follow that a high scoring operational risk should be automatically included in the Departmental or Strategic Risk Register.   A view should be taken as to whether the operational risk has a significant impact upon the strategic aims and objectives of the Council.

Strategic Risk Register Decision Matrix		
1 to 4	Green	No referral
5 to 9	Yellow	No referral
10 to 12	Amber	Referral to DRR for possible inclusion
15 to 25	Red	Referral to DRR/SRR for possible inclusion

Risk Control Definitions	
Take the Opportunity	Accept the risk and turn it into a positive opportunity or benefit
Treat/Control	Actions required to mitigate the likelihood and/or impact
Tolerate/Accept	No action - risk within tolerance or accept - Understand and live with the risk.
Terminate	Cease or avoid the risk
Transfer	Transfer to potential third party or bond or insurance etc

9. Risk Management Culture

In order to ensure that risk management is adopted throughout the Council to facilitate the enterprising approach that the Council wishes to take, there needs to be a strong risk management culture from the top to the bottom to drive this change.

The Role of the Leader and Members

To endorse Council's Risk Management Policy and Risk Management Framework.

Through the Audit Committee, the Council Leader and Members also have a responsibility to:

- Oversee the effective management of risk by officers.
- Monitor the Council's risk management strategy and performance.
- Review regular reports from the Strategic Risk Management Group (SRMG) on key issues affecting the Council.
- Review and approve the Annual Risk Management Report submitted by the SRMG.

The Role of Audit Committee

The Audit Committee has Governance of the risk management process. Their role is to:

- Approve the Framework for Risk Management
- Review Strategic Risks and check on the progress of risks
- Monitor adequacy of the risk management arrangements and directly raise queries with Strategic and Departmental risk owners
- Gain assurance of objectives being met

The Role of Governance Committee

The Governance Committee has oversight of the continuous improvement aspect of Risk Management. Their role is to:

- Review significant adverse risks and issues to ensure lessons are learnt and implemented across Departments
- Post-implementation review significant initiatives and service changes to ensure that both positive and adverse risks and issues arising are learnt from and implemented as best practice across Departments.

The Role of the CMT Risk Champion

Is to:

- Lead CMT on risk management to ensure that risk management principles are being adopted and adhered to throughout all Departments
  To have an overview of the Strategic Risk Register; ensuring Strategic risks are being appropriately managed and identified across all Departments

The Role of CMT

There will need to be a visible commitment from CMT by:

- Modelling their behaviors and working to deliver the attributes of level 5, "Driving" of the CIPFA benchmarking model
- Leading through actions. - embracing risk based decision making aligned with strategic objectives
- Having a clear understanding of the risks to the business and any implications on the success of the Council Plan
- Ensuring assurance on the status of key risks and controls sought and followed through on a strategic and directorate level
- Embedding of the policy and framework for managing risk

The Role of Strategic Risk Management Group (SRMG)

- Act as departmental risk 'champions', ensuring that risk management is given an appropriate profile and sufficient focus
- Be responsible for the completion, progressive action and monitoring of their Departmental Risk Register
- Meet regularly, and ensure that embedding risk management remains on the corporate agenda
- Play a lead role in the identification and monitoring of Strategic risk;
- Consider "very severe" and "serious" risks identified by projects, functional risk groups and department groups
- Escalate new and emerging risks that may have a strategic impact to the Risk Manager and participate in ad hoc meetings of the Group to discuss such risks as necessary
- Carry out duties as required by the Group's terms of reference

All Employees

- To manage risk effectively in their job and report hazards, risks or opportunities to their Manager.

10.   The Risk Management Framework

The Council has closely followed the ISO31000 Standard to tackle Risk management Procedures, framework, guiding controls and processes with Plan, Do, Check, Act, Review at the core.

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│                                                                            │
│                     Strategic/Operational Objectives of the Business       │
│                                                                            │
│                               Risk Assessment                              │
│                                                                            │
│                               Risk Analysis                                │
│                               Risk Identification                          │
│                               Risk Description                             │
│                               Risk Estimation                              │
│                                                                            │
│                               Risk Evaluation                              │
│                                                                            │
│   ┌──────────────┐                                      ┌──────────────┐   │
│   │ Review and   │          Risk Reporting              │Internal/     │   │
│   │ Modification │                                      │External Audit│   │
│   └──────────────┘          Decision                    └──────────────┘   │
│                                                                            │
│                             Risk Treatment                                 │
│                                                                            │
│                             Residual Risk Reporting                        │
│                                                                            │
│                             Monitoring                                     │
│                                                                            │
└──────────────────────────────────────────────────────────────────────────┘
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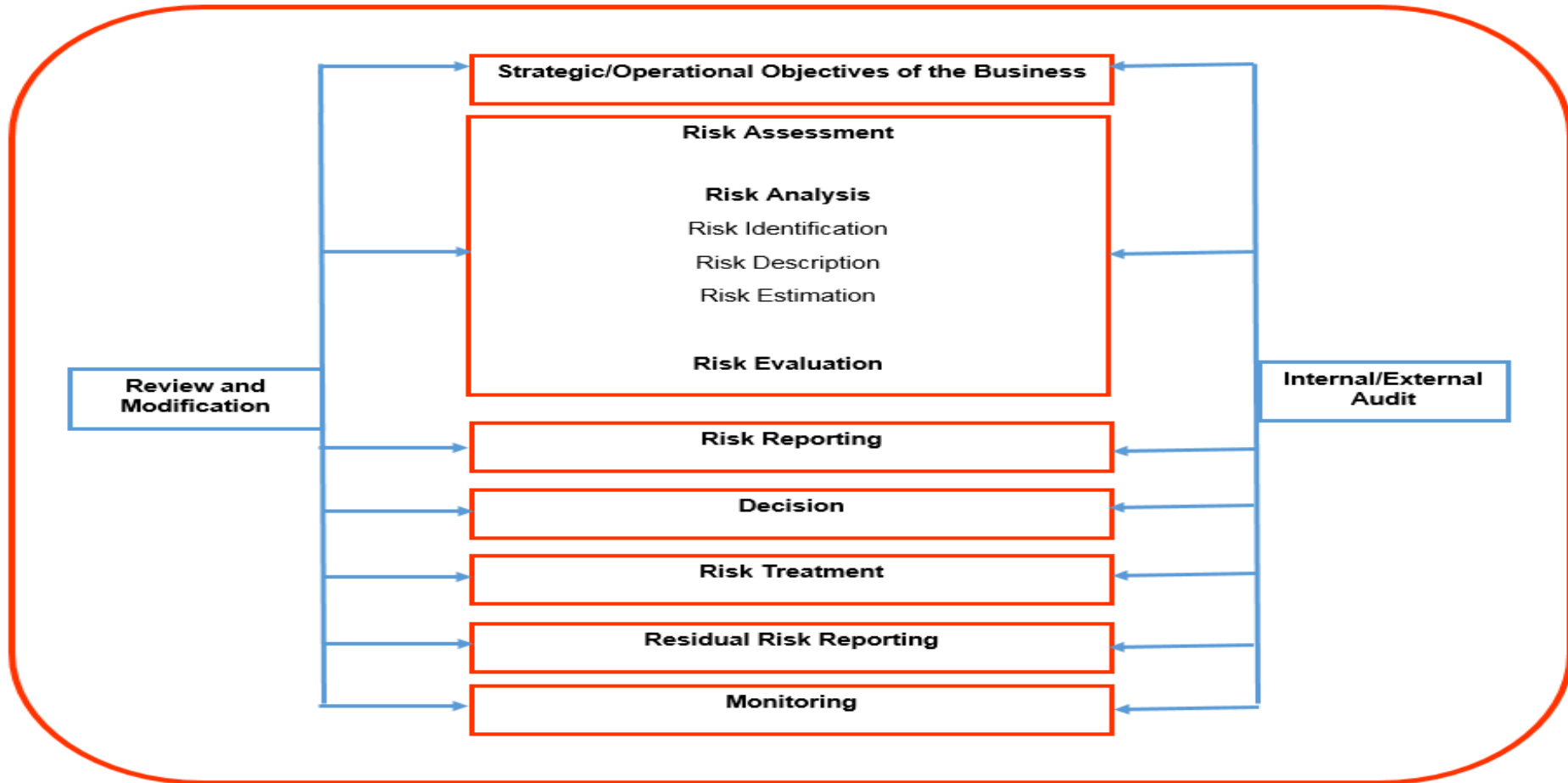
11.   Roles and Responsibilities

The key roles and responsibilities for risk management are set out below:

Who	Key Roles & Responsibilities	Report Type	By Whom	Frequency
Council	Receive and act upon: • Reports from Cabinet, Audit Committee and Head of Paid Service. • Reports, recommendations and advice from Audit Committee.	• E.g. Annual Governance Statement, Policy, Strategy and Framework and other reports.	Cabinet & Audit Committee	Annually
Cabinet	• Agree the Risk Management Strategy (RMS) and receive reports on risk management. • Hold the political responsibility for the RMS with each individual portfolio. • Assign responsibility for risk to the Cabinet Member for Corporate Services	• Policy & Strategy and other relevant reports.	Audit Committee and Corporate Leadership Team	Annually or as required.
Audit Committee	• Oversee and challenge assurance and the RMS arrangements.	• Review of Policy, Strategy & Framework. • Receive updates on the Strategic/Corporate R&O's and action plans. • Receive assurance on effectiveness of ROM.	Director of Finance and ICT	• Annually • Bi Annual • Annually
Executive Management Team	• Strategic leadership Group for RMS. • Oversee the RMS Policy and Strategy. • Responsible for effectiveness of Risk & Opportunity (R&O) and assurance arrangements and any management or mitigation. • Quarterly monitoring of Strategic/Corporate R&Os and associated action plans. • Identify a lead on RMS who chairs the Strategic Risk Management Group	• Review of Policy & Strategy. • Reviews of Strategic/Corporate R&Os and action plans. • Review/Benchmarking of RMS.	Director of Finance and ICT	• Annually • Quarterly • Annually
Corporate Risk Management	• Establish the Risk and OM Policy, Strategy and Framework. • Stewardship of the Strategic/Corporate R&O Registers. • Review/Benchmarking of RMS. • Establish Service Level RMS. • Provide consultancy, advice and training on RMS.	• Review of RMS Policy, Strategy & Framework. • Reviews of Strategic/Corporate R&Os and action plans. • Review/Benchmarking of RMS. • Quarterly RM update to CMT • Quarterly RM update to Audit Committee • Report to Cabinet Members / Portfolio Holders on high level R&Os facing the Directorate or Council.	Risk and Insurance Manager	• Annually • Quarterly • Annually
Strategic Risk Management Group	• Identification and monitoring of Strategic/Corporate R&Os for the Directorate or Council. • Escalation as appropriate of Strategic/Corporate R&O's facing the directorate or Council (e.g. programme, partnership, project and service R&Os)	• Reviews of Strategic/Corporate R&Os and action plans to CMT.	Strategic Directors	Quarterly or as required.

Directors, Assistant Directors &/or Risk Champions	• Identification and monitoring of Strategic/Corporate and any other key R&Os facing the department. • Escalation as appropriate of Strategic/Corporate R&O's to SMT.	• Review of R&Os and R&O Registers as a standing agenda at SMT/DMT meetings. • SMT/DMT to receive and approve updates to Strategic/Corporate R&O's and action plans.	Directors, Assistant Directors &/or Risk Champions	Quarterly or as required by Director(s) or **SMT**
Managers & Risk Champions	• Identification, management and review of R&Os and R&O registers within their Service or area of responsibility. • Monitoring and escalation as appropriate of R&O's to either Director/Assistant Director or relevant SMT/DMT.	• Review & maintenance of R&Os and R&O registers as standing agenda item at **Service** meetings. • Review of **Service** R&O's and action plans to DMT and SMT as required. • Report to DMT on identified R&O's that require consideration for escalation to the Strategic/Corporate R&O Register.	Directors, Assistant Directors &/or Risk Champions	Quarterly or as required by Director(s) or **DMT/SMT**
Programme & Partnership Boards or Project Managers	• Responsible for the identification, management and monitoring of R&O within their given areas.	• Report on the management of R&Os and escalation of high level R&O's as required or necessary.	Programme Boards, Partnership Boards and Project Managers	Quarterly or as requested by Strategic Directors or Programme Boards/Leads
Employees	• To manage risk effectively in their job and report hazards, risks or opportunities to their Manager.	• Report incidents, risks and opportunities following the procedures laid down in corporate policies.	All Employees	As necessary or required.

12.   Performance Management

Alignment to a risk maturity model

The Council will align itself to the recognised benchmarking model issued by CIPFA and ALARM (Association of Local Authority Risk Managers). The Benchmarking Club will be used to formally benchmark on a biennial basis against other Local Authorities. In the interim years the tool will be used on a self-assessment basis when no benchmarking membership will be sought.

Success Criteria

An acceptable level of success under the ALARM Benchmarking model would be the "Happening" Category and attainment of this level in each category will be seen as an absolute minimum. However, the Council will strive to achieve the 'Embedded and Working' rating for all areas in the ALARM/CIPFA Benchmarking Club which would place it in the top tier of Local Authorities in terms of Risk Management success.

CIPFA BENCHMARKING						
	Leadership & Management	**Strategy & Policy**	**People**	**Partnership, Shared Risk & Resources Processes**	**Processes**	**Risk Handling & Assurance**	**Outcomes & Delivery**
Level 5: Driving	Senior management uses consideration of risk to drive excellence through the business, with strong support and reward for well-managed risk-taking.	Risk management capability in policy and strategy making helps to drive organisational excellence.	All staff are empowered to be responsible for risk management. The organisation has a good record of innovation and well-managed risk-taking. Absence of a blame culture.	Clear evidence of improved partnership delivery through risk management and that key risks to the community are being effectively managed.	Management of risk and uncertainty is well-integrated with all key business processes and shown to be a key driver in business success.	Clear evidence that risks are being effectively managed throughout the organisation. Considered risk-taking part of the organisational culture.	Risk management arrangements clearly acting as a driver for change and linked to plans and planning cycles.
Level 4: Embedded & working	Risk management is championed by the CEO. The Board and senior managers challenge the risks to the organisation and understand their risk appetite. Management leads risk management by example.	Risk handling is an inherent feature of policy and strategy making processes. Risk management system is benchmarked and best practices identified and shared across the organisation.	People are encouraged and supported to take managed risks through innovation. Regular training and clear communication of risk is in place.	Sound governance arrangements are established. Partners support one another's risk management capability and capacity.	A framework of risk management processes in place and used to support service delivery. Robust business continuity management system in place.	Evidence that risk management is being effective and useful for the organisation and producing clear benefits. Evidence of innovative risk-taking.	Very clear evidence of very significantly improved delivery of all relevant outcomes and showing positive and sustained improvement.
Level 3: Working	Senior managers take the lead to apply risk management thoroughly across the organisation. They own and manage a register of key strategic risks and set the risk appetite.	Risk management principles are reflected in the organisation's strategies and policies. Risk framework is reviewed, developed, refined and communicated.	A core group of people have the skills and knowledge to manage risk effectively and implement the risk management framework. Staff are aware of key risks and responsibilities.	Risk with partners and suppliers is well managed across organisational boundaries. Appropriate resources in place to manage risk.	Risk management processes used to support key business processes. Early warning indicators and lessons learned are reported. Critical services supported through continuity plans.	Clear evidence that risk management is being effective in all key areas. Capability assessed within a formal assurance framework and against best practice standards.	Clear evidence that risk management is supporting delivery of key outcomes in all relevant areas.

Level 2: Happening	Board/ Councillors and senior managers take the lead to ensure that approaches for addressing risk are being developed and implemented.	Risk management strategy and policies drawn up, communicated and being acted upon. Roles and responsibilities established, key stakeholders engaged.	Suitable guidance is available and a training programme has been implemented to develop risk capability.	Approaches for addressing risk with partners are being developed and implemented. Appropriate tools are developed and resources for risk identified.	Risk management processes are being implemented and reported upon in key areas. Service continuity arrangements are being developed in key service areas.	Some evidence that risk management is being effective. Performance monitoring and assurance reporting being developed.	Limited evidence that risk management is being effective in, at least, the most relevant areas.
Level 1: Engaging	Senior management are aware of the need to manage uncertainty and risk and have made resources available to improve.	The need for a risk strategy and risk-related policies has been identified and accepted. The risk management system may be undocumented with few formal processes present.	Key people are aware of the need to understand risk principles and increase capacity and competency in risk management techniques through appropriate training.	Key people are aware of areas of potential risk in partnerships and the need to allocate resources to manage risk.	Some stand-alone risk processes have been identified and are being developed. The need for service continuity arrangements has been identified.	No clear evidence that risk management is being effective.	No clear evidence of improved outcomes.

Risk Management Performance Indicators

1. The Council demonstrates good practice by working towards and achieving its target level of RM maturity "embedded and working".
2. Robust risk and opportunity considerations are included in all reports to Cabinet and CMT
3. CMT reviews the Strategic Risk Register on at least a quarterly basis or as required.
4. Executive Directors attend Audit Committee to review their Departmental Risk Register at least once a year or as required.
5. Cabinet reviews and challenges the Strategic Risk Register on at least an annual basis or as required.
6. All Service Plans and business plans (at all levels) include a Risk Register, developed in accordance with the RM toolkit
7. All Senior Management Teams review their risk registers on a quarterly basis in conjunction with a member of the Risk Management team.
8. A Risk Management Framework, consistent with the guidance set out in the Partnership RM Toolkit (and including a current risk register), is in place for all significant partnerships
9. A Risk Management Framework is in place for all significant procurements or commissioning
10. Risk Management reports show a stable, or ideally downward trend, in reportable incidents (e.g. insurance claims, RIDDOR/Health & Safety incidents, information security incidents) and major business disruptions; subject to internal or external influences.
11. All Operational (Departmental) and Strategic risk registers to be on a 'live' risk management system.
12. All new recruits to take an online role relevant Risk Management Module as part of an induction programme. Developed in conjunction with departments and Learning and Development.
13. All employees to take a biennial online relevant Risk Management Module Developed in conjunction with departments and Learning and Development
14. Risk Management training to be incorporated into Member's training programme
15. A Corporate wide framework for lessons learnt and best practice adopted

13. Implementation Plan

Objectives	Plan	Timescale
All Senior Management Teams review their risk registers on a quarterly basis in conjunction with a member of the Risk Management team.	The Risk Officer or Risk Manager to meet with SMT's on a quarterly basis to review their departmental risk register in depth	January 2020
Robust risk and opportunity considerations are included in all reports to Cabinet and CMT.	To agree a methodology to ensure all significant risks and opportunities are adequately appraised and defined to allow risk aware decision making	January 2020
CMT reviews the Strategic Risk Register on at least a quarterly basis or as required.	The Risk Manager to attend CMT on a regular quarterly basis in order to report on and review the Strategic Risk Register	April 2020
Cabinet reviews and challenges the Strategic Risk Register on at least an annual basis or as required.	The Risk Manager to attend Cabinet on an annual basis in order to report on and review the Strategic Risk Register	April 2020
Executive Directors attend Audit Committee to review their Departmental Risk Register at least once a year or as required.	Each Executive Director to attend one Audit Committee meetings agreed in advance per annum	April 2020
Risk Management reports show a stable, or ideally downward trend, in reportable incidents (eg insurance claims, RIDDOR/Health & Safety incidents, information security incidents) and major business disruptions; subject to internal or external influences.	Statistics to be reported on an annual basis to CMT and Cabinet	April 2020
All Operational (Departmental) and Strategic risk registers to be on a 'live' risk management system.	The Risk and Insurance Manager to devise or procure a system that will enable Strategic and Departmental risks to be recorded on a system that will provide up to date M.I. on the status of all risks and how they link with the Council Plan 2019-21	April 2020

All new recruits to take an online role relevant Risk Management Module as part of an induction programme. Developed in conjunction with departments and Learning and Development	The Risk and Insurance Manager to devise a relevant training module to be incorporated into the induction programme	May 2020
A Risk Management Framework, consistent with the guidance set out in the Partnership RM Toolkit (and including a current risk register), is in place for all significant partnerships.	The Risk and Insurance Manager to review the Partnership Risk Management Toolkit to ensure that it is fit for purpose and to roll it out for use with Partnerships.	June 2020
All employees to take a biennial online relevant Risk Management Module Developed in conjunction with departments and Learning and Development	The Risk and Insurance Manager to devise a relevant training module to be incorporated into the learning and development programme	From August 2020
A Risk Management Framework is in place for all significant procurements or commissioning	The Risk and Insurance Manager to work in conjunction with Procurement team to create a fit for purpose Risk Management Toolkit and to roll it out for use with all significant procurements or commissioning.	October 2020
Risk Management training to be incorporated into Member's training programme to ensure that all Members have the tools to evaluate risks that are presented in business cases and Service Plans	The Risk and Insurance Manager to devise a relevant training module to be incorporated into the Members suite of training	October 2020
Robust risk and opportunity considerations are included in all Service Plans.	To agree a methodology; template and training with Governance; Legal; Policy and Departments to ensure all significant risks and opportunities are adequately appraised and defined to allow risk aware decision making	April 2021
Framework for lessons learnt and good practice implemented	To agree a methodology with Governance to ensure the Council has a robust framework to identify and disseminate lessons learnt and opportunities.	September 2021

The Council demonstrates good practice by working towards and achieving its target level of RM maturity "embedded and working".	To take part in ALARM/CIPFA's benchmarking exercise on a biennial basis and for the results to show an upward trend	Achieve "embedded and working status" by 2022
The Council demonstrates good practice by working towards and achieving its target level of RM maturity "driving".	To take part in ALARM/CIPFA's benchmarking exercise on a biennial basis and for the results to show an upward trend	Achieve "driving" by 2024

14.   Resources and funding

The Strategic Risk Register will inform the Annual Budget Setting Process and Long Term Financial Plan. Operational Risk Registers should also be considered as an integral part of the Operational financial and service planning process.

The Council will determine annually the budget to support risk management capital and revenue expenditure.

Requests from service departments and establishments, for financial support for risk management measures will be considered in accordance with Financial Regulations. Departments and establishments will be expected to evidence their commitment to the measures they are proposing through contributions from their individual capital and/or revenue budgets.

15.   External Influences

A number of external influences may impact on this Strategy such as the Commissioning, ICT, Business Continuity, Health and Safety and Procurement Strategy. Once these have been corporately adopted, if any of these do impact on the Risk Management Strategy these will be taken into consideration as part of the annual strategy review process.

It is envisaged that The Risk Strategy will form the overarching corporate approach to risk and will reflect the input and engagement that the Risk Management and Insurance Team receives from departments.

16.   Strategy Consultation

This strategy was developed through consultation with stakeholder groups across Council service areas together with market research and taking best practice from other Local Authorities.

17. **Glossary**

Term	Definition
Operational Risk	are major risks that affect an organization's ability to execute its strategic plan
CMT	Corporate Management Team
DRR	Departmental Risk Register
ISO 31000 2018	means a family of standards relating to risk management codified by the International Organization for Standardization.
Operational Risk	are major risks that affect an organization's ability to execute its strategic plan
RIDDOR	means the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. These Regulations require employers, the self-employed and those in control of premises to report specified workplace incidents.
RM	Risk Management
RMS	Risk Management Strategy
R&O	Risks and Opportunities
SRR	Strategic Risk Register
SMT	Departmental Senior Management Team
Strategic Risk	are risks that affect or are created by an organization's business strategy and strategic objectives

Strategic Risk Register – Summary of Changes

The risk register has been updated to account for the new Council Plan priorities and values.

There are a number of risks that have been re-evaluated and amalgamated or moved to an overarching risk description.

Risk Identifier	Previous Description	New Description	Comments	Link to Council Plan
2011/10	Looked after Children	Increase in demand in Council Services	The Strategic Risk Group believes that there should be an overarching risk to enable the Council as a whole to respond and manage an increase in demand for services.	• High performing Council Services
2011/12	Continuing Healthcare	Increase in demand in Council Services	The Strategic Risk Group believes that there should be an overarching risk to enable the Council as a whole to respond and manage an increase in demand for services.	• High performing Council Services
2011/22	Central Government Reform	Influence of external political influences	The risk category was widened to enable the Council to plan and mitigate for external political and policy decisions that may impact upon our services.	• High performing Council Services

2011/8	Implementation of Self Directed Support in line with the Personalised Care Agenda	Increase in demand in Council Services	The Strategic Risk Group believes that there should be an overarching risk to enable the Council as a whole to respond and manage an increase in demand for services.	• High performing Council Services
2012/1	Information Governance, Cyber and Social Media	Failure to comply with GDPR regulations and ICT resilience	The risk was changed to encompass the whole risks surrounding information governance and cyber protection.	• High performing Council Services
2011/14	Residential Care	Increase in demand in Council Services	The Strategic Risk Group believes that there should be an overarching risk to enable the Council as a whole to respond and manage an increase in demand for services.	• High performing Council Services
2011/6	ICT Infrastructure & Systems	Failure to comply with GDPR regulations and ICT resilience	Risk incorporated with 2012/1 2018/03.	• High performing Council Services
2013/2	Impact of Welfare Reform	Increase in demand in Council Services	The Strategic Risk Group believes that there should be an overarching risk to enable the Council as a whole to respond and manage an increase in demand for services.	• High performing Council Services

2018/03	GDPR	Failure to comply with GDPR regulations and ICT resilience	Risk incorporated with 2012/1 and 2011/6.	• High performing Council Services
2019/01	Brexit Planning	Influence of external political influences	The risk category was widened to enable the Council to plan and mitigate for external political and policy decisions that may impact upon our services.	• High performing Council Services

Summary of Risks Which Will No Longer Appear on the Register

Risk Identifier	Description	Impact
2011/18	Provision of services to schools	This risk was reclassified as a Departmental risk
2011/21	Collective Challenge under Judicial	This risk was reclassified as a Departmental risk
2015/03	D2N2	This risk was reclassified as a Departmental risk

Departmental Risk Registers

New Risks on Departmental Registers scoring over 12

Dept	Dept Risk Identifier	Description	Impact	Score	Link to Strategic Risk	Impact on Council Plan
ASC&H	20	Shortfall in community transport to maintain services	Potential of increased injury to stakeholders through insufficiently trained staff/stakeholders unable to access services	15	2011/9 Protection of Children and Vulnerable Adults	• High quality personalised services
ASC&H	21	Increased financial liability for LA as a result of review of S117 of the MH Act		12		• Good use of public money
ASC&H	22	Expansion of non-regulated PA workforce increases exposure of service users to risk		12		• High quality personalised services
ASC&H	23	Failure to deliver the programme of work leading to increased cost, risk and insufficient capacity		15		• Good use of public money
ASC&H	24	Failure to learn from events where something went wrong resulting in loss of public trust on processes and political trust in ASC		15		• High quality personalised services

ASC&H	25	Failure to manage money effectively in Derbyshire Deputyship service		**15**		• Good use of public money
ASC&H	26	Failure to pursue making people safe where people appear to have capacity to choose not to engage		**15**		• High quality personalised services
ASC&H	27	Failure to respond to need in a timely way		**15**		• High quality personalised services
ASC&H	28	Failure to comply with all regulatory requirements		**20**		• High quality personalised services
ASC&H	29	Failure to enact good safe practice in P&P and safeguarding (audits and supervision)		**15**		• High quality personalised services
ASC&H	30	Failure to respond to carers needs		**12**		• High quality personalised services

Risks on Departmental Registers Increasing scoring above 12

Dept	Dep't Risk Identifier	Description	Impact	Old Score	New Score	Link to Strategic Risk	Impact on Council Plan
Public Health	PH8/18	Lack of signed contract with Northamptonshire County Council to provide Ocitgo IT solution. System will no longer be available after 31.03.19	DCC will not be indemnified in respect of a breach of data; system cannot be used for reporting.	15	25	2012/1 Information Governance, Cyber and Social Media	• High performing Council Services
Public Health	PH05/15	Difficulties in accessing NHS and public health information due to new organisational arrangements and information governance barriers	Potentially resulting in inappropriate resource allocation or commissioning decisions based on incomplete data.	9	12	2012/1 Information Governance, Cyber and Social Media	• High performing Council Services
ETE	2017/7	Failure to meet waste management targets following delays in completion of the Household Waste Recycling Centers in Derbyshire	Financial and potentially reputational should the centre fail to be commissioned	12	25	2011/2 Failure to meet waste management targets	• High performing Council Services.
CCP	01	Maintaining (including servicing) and providing property in safe, adequate and suitable condition.	Risk of breach of Duty of Care under the Health & Safety at Work Act 1974 leading to prosecution of Officers under the	16	20	2012/2 Maintenance of Assets	• High performing Council Services.

			Corporate Manslaughter and Homicide Act 2007 to employees and others working for us, occupiers of premises owned by us and the wider public. High risk that damage to property or injury death to service users/public/staff will be uninsured.					
CCP	28		Traded Services non-Schools: All services fully or partly trading are under pressure to continue to achieve reductions in costs as well maintain or increase income	The reduction in resource will lead to impaired service delivery and a potential reduction in traded income.	**9**	**12**	2011/18 Provision of services to schools	• High performing Council Services